



Canada Border  
Services Agency

Agence des services frontaliers du Canada



# National Border Risk Assessment Update 2016-2018

## **(Operations/Programs Branch Joint Risk Assessment)**

## November 2016

The image shows the official crest of the Royal Canadian Mounted Police (RCMP). It features a detailed crown at the top, a central shield with a bison, and a circular border containing the text "ROYAL CANADIAN MOUNTED POLICE". Below the shield, the words "PROTECIT ET SEQUITUR" are inscribed.



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## Executive Summary

Over the past decade, the Canada Border Services Agency (CBSA) has been refining its approach to risk management as a result of a number of factors, both internal and external. As a member of Canada's Public Safety Portfolio and as a law enforcement and security agency, the CBSA must contend with national security, transnational organized crime, public safety, and security threats. These threats are persistent and continuously evolving. The Agency also has to deal with questions of resourcing, systems changes, service excellence, and commercial and traveller processing, and management of many terabytes of data.

The result is that many areas are confronted by risks that vary in scope, magnitude and nature — from front line operational risk assessments all the way to the enterprise level. The National Border Risk Assessment (NBRA) is the Canada Border Services Agency's principal operational and program risk assessment document. It fits into the Agency's risk management continuum by discussing risk and vulnerability at the Regional, mode and stream level so managers can use the findings to make risk-based decisions to help identify priority areas and develop strategies to inform Agency planning and business. To date, three iterations of the NBRA have been produced. This update of the NBRA is a revalidation of the conclusions in the *2013-15 National Border Risk Assessment*, in a summarized form.

The NBRA focuses on top risks and vulnerabilities, using data gathered since 2010. Top risks and vulnerabilities are the ones that would require the greatest amount of effort, time, and resources to mitigate, and which require a specific strategy to address because they fall outside the realm of regular operational business. This approach allows the Agency to differentiate between top risks and risks that are adequately addressed through the "normal net" of existing border operations. With this approach, the NBRA is a tool to pick important problems that need to be fixed.

The NBRA aligns with and informs other Agency risk work, including the *Enterprise Risk Profile* (ERP) and the *Integrated Business Plan*, and supports the delivery of integrated border services. Decision-makers can use the NBRA's findings to understand where risk resides and therefore who is accountable for managing each risk.

## Structure

The NBRA is divided into three chapters for ease of use:

- The first chapter provides situational awareness of the Agency and of the terminology used throughout this report, including a description of emerging issues and challenges.
- The second chapter will provide a national perspective on the threats and vulnerabilities by mode and by stream. This chapter also discusses threats and vulnerabilities in the Commercial Rail Stream, the Postal Mode, and the Courier/Low Value Shipment (CLVS) Program.
- The last chapter will review the threats and vulnerabilities as they apply to each of the regions, highlighting the unique challenges with which they are faced.

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Given the nature of risk, and the scope of many of the initiatives discussed, this paper assumes that many threats and vulnerabilities have remained constant. This 2016-2018 update to the NBRA will revalidate the findings from the 2013–15 NBRA, integrating information from stakeholders throughout the Agency about changes to the risk environment since 2013-2015, and discussing how these changes influence the at-border risk environment.

The NBRA primarily discusses at-the-border risk. The NBRA does not consider risks in the CBSA's international or inland operations. A risk assessment of the Courier Low Value System was completed in 2016, and the risks identified in that assessment have been included.

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## Chapter 1: Agency Context

The Canada Border Services Agency was created in 2003, merging Canada Customs with border and enforcement personnel from Citizenship and Immigration Canada and the Canadian Food Inspection Agency.

The Agency is “responsible for providing integrated border services that support national security and public safety priorities and facilitate the free flow of persons and goods, including animals and plants, which meet all requirements under the program legislation.” The Agency’s mission is, “To ensure the security and prosperity of Canada by managing the access of people and goods to and from Canada”. The Agency administers more than 90 Acts, Regulations, and international agreements on behalf of other federal departments and agencies, the provinces, and the territories.

The scope of the Agency’s operations in support of its mandate is vast and complex. In addition to Canada’s coastline—the second largest in the world—our border with the United States stretches 8,891 kilometres, with 2,477 kilometres shared with Alaska alone, and includes 117 land ports. There are also 222 airports (13 receiving international flights, 10 cruise ship facilities, 427 marine reporting sites, including 4 major marine ports (Vancouver, Montreal, Prince Rupert, and Halifax), 218 commercial vessel clearance facilities, and 3 international mail processing stations (Vancouver, Mississauga, and Montreal).

The CBSA is divided into seven Regions:

- Pacific
- Prairies
- Northern Ontario
- Greater Toronto Area
- Southern Ontario
- Quebec
- Atlantic

The CBSA uses a variety of analytical tools to fulfil its mandate including centres of expertise like the Science and Engineering Directorate and the National Targeting Centre.

Worldwide, shifts in migration, trade and criminality, and the pace of technological change, are unprecedented. As Canada’s front-line agency responsible for the safety, security and economic prosperity of Canada and Canadians, the CBSA has a responsibility to not only keep up with these changes, but to anticipate them.

### The Definition of Risk in the NBRA Context

A general definition of risk adopted by the Treasury Board of Canada (an ISO 31000 definition) is: “Risk refers to the uncertainty that surrounds future events and outcomes. It is the expression of the likelihood and impact of an event with the potential to influence the achievement of an organization's objectives.”

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Border risk in the NBRA is discussed in terms of uncertainty about the CBSA's ability to accomplish its mission to manage the access of people and goods to and from Canada. Expressed another way, risk is the likelihood of an infraction at a port of entry and the impact of that infraction, if missed, on Canada (Risk = Likelihood x Impact). This approach also assumes that risk is relative, and not ranked according to potential frequency of occurrence or severity. As a law enforcement agency, the CBSA considers impact primarily in terms of harms to Canada and Canadians.

Definitions of other terms:

**Likelihood** is the *expected probability of an event*; it is a function of the frequency of border crossings, the expected probability of a border infraction or event, and the probability of success of that event. Put differently, likelihood asks: Will someone try to subvert our controls and will it work? Likelihood is the product of two distinct concepts— threat and vulnerability.

A **threat** exists when an actor has the potential (wilfully or inadvertently) to contravene a CBSA-enforced law or interferes with the full accomplishment of the CBSA mission. Put another way, threat is the existence of the conditions for a border-related occurrence external to the CBSA.

A **vulnerability** is the existence of conditions internal to the CBSA that allow a threat to result in an infraction. For example, a weakness in organizational design—in the Agency's procedures, program implementation, or internal controls. The CBSA has exclusive control and influence over its program design and operational posture.

**Impact** is defined as the consequences for Canada in the event of a successful infraction. The NBRA discusses impact in subjective terms, and does not attempt to quantify impact.

**Uncertainty** (or lack of certainty) is a state or condition that involves a lack of information and leads to inadequate or incomplete knowledge or understanding. In the context of risk management, uncertainty exists whenever the knowledge or understanding of an event, impact, or likelihood is inadequate or incomplete.

### Strategic Risks and Blind Spots

The NBRA discusses risks which have manifested and which are validated through observation in the field. There are also risks which are suspected to exist but which are not well understood due to insufficient information with which to calculate likelihood or impact. The additional risks fall into two categories: **strategic risks** and **blind spots**. Strategic risks involve threats which are not fully controlled or vulnerabilities which have not been addressed. In blind spots, risk cannot be calculated because there are indications that threats exist, but not enough is known about the situation to determine likelihood and impact.

The following eight strategic risks and blind spots were identified. The first seven were noted in the 2013-2015 NBRA. The last one was raised as an emerging issue in this round of consultations by Enforcement and Intelligence Operations. The extent to which the strategic risks and blind spots have evolved and developed is unknown, but requires further discussion:

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Strategic Risk/Blind Spot	Description
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The CBSA Science and Engineering Directorate notes that the rapid pace of innovation presents an enormous challenge for the Agency. Neither a strategic risk nor blind spot, innovation affects all aspects of the Agency, including, but not limited to: classification of new foods and materials; excise determinations for new tobacco (and soon to be marijuana) products; and the trafficking of new and emerging drug substances and precursors. The CBSA is challenged to adopt new technology, tools and procedures to keep pace with these rapid changes. In the context of conversations about the CBSA's strategic direction, the Agency's ability to adapt must be front and centre.

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## Next Steps

### How will the NBRA be used?

The *2016-18 NBRA Update* aligns with and informs other Agency risk work, ensuring a complete illustration of current realities. The result is a defined structure showing where risk resides and by whom it is owned and managed.

The risk management process used by the CBSA will have four distinct elements, assuring that uncertainty does not prevent the Agency from meeting its identified goals and mandate.

1. **Risk Identification and Assessment**—determine what may prevent the CBSA from meeting its goals.
  - NBRA Updates
  - Enterprise Risk Profile
  - Program specific risk assessments
  - Audits and Evaluations
2. **Analysis and Prioritization**—identify all programs, initiatives, and projects the CBSA has in place to reduce border risk by reducing the likelihood of an occurrence; determine the likelihood of the events occurring along with the subsequent impact in order to generate an inventory that can be ranked.
  - Integrated Business Plan
  - Program Priority Setting Exercise
3. **Implementation**—impacted areas will develop and implement risk mitigation strategies. These strategies will be applied in order to mitigate the effect of the top risks identified and prioritized by the Agency.
  - Management Response Action Plans
4. **Tracking and Reporting**—monitor the identified risks and regularly evaluate whether the controls continue to be effective and/or if the risks have changed.
  - Program Integrity Agenda or a new strategic priority setting process (TBD)

The *2016-18 NBRA Update* could be shared with partner Departments and Agencies in the Government of Canada to inform their regulatory or law enforcement strategies and priorities as they relate to cross-border activities.

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## Chapter 2: National Review

### Top Risks

The top risks identified in the NBRA Summary Report are those that are likely to occur or that have relatively high impacts on Canada. Some of these risks cannot be mitigated through the “normal net”<sup>2</sup> of operations as it currently exists, and as a result they may require tailored enforcement strategies. The list that follows is not in any way a ranking of importance.

1. The risk that Inadmissible foreign nationals will enter Canada
  - Immigration misrepresentation leading to entry into Canada, allowing inadmissible people to enter.
  - The refugee process has been used by criminally inadmissible persons to gain access to Canada.
  - Travellers inadmissible under the IRPA, including persons inadmissible due to criminality, arrive at Canadian ports through Human Smuggling or as Improperly Documented Arrivals (IDAs).
2. The risk that illegal drugs will enter Canada
  - The CBSA is responsible for interdicting and controlling the import of both controlled drugs and substances (marijuana, cocaine, heroin, fentanyl, etc.) and regulated drugs (steroids, OxyContin, etc.).
  - Drugs are recognized as being a threat in all modes. The amount of drugs seized per incident and the level of concealment varies significantly depending upon the mode

Many

smaller regional airports have begun to operate seasonal flights, in addition to their regular national flights, to sun destinations known as drug sources,

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<sup>2</sup> The “normal net” refers to the routine daily work of the Agency to accomplish the mandate and mission. In the context of the NBRA, the normal net is the array of existing controls put in place by the CBSA to ensure compliance with border law.

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- Criminal organizations engage in the trafficking of both illegal and prescription drugs using a variety of resources available to them, and will use a variety of concealment methods, making all modes susceptible.
- 3. The risk of the proliferation of dual-use technology to unfriendly actors
  - Dual-use technology is goods that have a primary commercial application |
    -
- 4. The risk that the proceeds of crime will enter or exit Canada
  - Undeclared currency is being imported and exported through all streams.
    - 
    -
- 5. The risk that inadmissible food, plant, and animal products will enter Canada
  - While this type of smuggling occurs in all modes, most imports of fresh produce and live animals enter Canada through shipments.
- 6. The risk that illegal firearms will enter Canada
  - 
  - 
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- 7. The risk that fraudulent documents will be used to enter Canada by inadmissible persons
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- Any document that would be required to gain entry into Canada is of interest to persons seeking entry illegally.
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**Top Risks Identified (Chart)**

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## Top Vulnerabilities

Unlike threats, which arise from primarily external factors, the CBSA can take steps to eliminate or reduce vulnerabilities.

A. Volume management and resource constraints

B. Internal conspiracies

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C. Subject matter specialization/training

D. Advance information and targeting

E. Infrastructure

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- Physical
- Software/system

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**F. Regulatory Compliance**

**G. Data integrity**

**National Review per Mode/Stream**

**Air Mode**

*Air—traveller stream*

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*Air—commercial stream*

**Land Mode**

*Land—traveller stream*

The majority of traffic consists of Canadian citizen (and resident) cross-border shoppers, American tourists, business commuters, and tourists returning home via private vehicles.

*Land—commercial stream*

The United States is Canada's largest trading partner-

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*Rail—commercial stream*

Commercial rail transport is important to Canada's transportation system, and there are approximately 46,000 kilometres of track in Canada. There are thirteen rail carriers that currently import goods into Canada, with Canadian National (CN) and Canadian Pacific (CP) responsible for 95 per cent of those imports.<sup>3</sup> The CBSA has dedicated to the processing of rail cargo nationally. There is capacity to conduct examinations and enforcement or to ensure program requirement compliance.

**Marine Mode**

*Marine—traveller stream*

The cruise industry continues to grow in all regions of Canada, with more than one million foreign cruise passengers cleared by the CBSA at Canada's major ports annually. Some cruise ships can carry upwards of 6,000 passengers and 2,000 crew members.

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<sup>3</sup> <http://www.cbsa-asfc.gc.ca/agency-agence/reports-rapports/ae-ve/2015/cr-mf-eng.html>

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entry.

*Marine—commercial*

Marine cargo transport is vital to the global economy. Approximately 90 per cent of global trade is carried out by sea,<sup>4</sup> and the use of containerized shipments has increased dramatically since the 1970s.

In this stream, there is a reliance on business-to-business exchange of information in order to ensure companies and organizations are compliant. This includes marine carriers, agents, freight forwarders, importers, warehouse operators, and brokers. Each ship can contain thousands of containers and each container can hold the cargo of multiple freight forwarders.

**Postal Mode**

Upon arrival in Canada, mail remains under the control of the foreign postal administration until it is “exchanged” with Canada Post. Canada Post receives the mail at its international mail exchange office, where it is sorted for movement within Canada. BSOs visually inspect each piece of mail to determine its admissibility and determine if the contents are subject to any duties or taxes. The CBSA processes international mail at three CBSA Mail Centres (CMCs) located in Montreal, Mississauga, and Vancouver, which are operated by Canada Post. A distinction is made between non-commercial or casual importations and commercial importations.

**Courier Low Value Shipment (CLVS) Program**

The program simplifies the report process for low value goods arriving by courier. Land-based CLVS present a number of threats,

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<sup>4</sup> Spears, Joseph K. “In the 21<sup>st</sup> Century, ocean shipping matters to Canada\*” [www.navalreview.ca](http://www.navalreview.ca).  
<http://www.navalreview.ca/2015/01/in-the-21st-century-ocean-shipping-matters-to-canada/> (accessed June 3, 2016)

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The volume of goods processed in the CLVS program by the CBSA continues to grow year to year. In the fiscal year 2010-11, the CBSA processed over 32 million shipments, and in 2015–16 this number grew to over 39 million shipments, an increase of approximately 18 per cent.<sup>5</sup> In 2015–16, approximately 22.2 million CLVS shipments entered by air, while the remainder entered by land.

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<sup>5</sup> CLVS Assessment, conducted by the Programs Branch in June 2016.

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## Chapter 3: Regional Review

The CBSA operating environment differs considerably between regions, even within a single mode. Vulnerabilities arise from, among other issues, geography, remoteness, resourcing, and infrastructure dependencies.

Regions manage their operational challenges in ways that are unique to each region.

### Pacific Region

The CBSA's westernmost region, the Pacific (PAC) Region, comprises the province of British Columbia and the Yukon. PAC is bordered by forests and mostly uninhabited permafrost to the north, by the Rocky Mountains to the east, by the Pacific Ocean to the west, and by Washington, Idaho, and Montana to the south. The Cascade Mountains meet the Rocky Mountains at the small but arable delta of the Fraser River in the southwest of the region. Most of British Columbia's 4.63 million people live within this southwestern corner of the province, called the Lower Mainland, which includes the city of Vancouver. The PAC region includes 43 land, air, and marine ports of entry.

#### *Air—traveller stream*

The key threats at Vancouver International Airport (VIA) are:

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*Air—commercial stream*

High-value illicit commodities are transported on air cargo flights. VIA Air Cargo also processes transit highway freight, flying trucks, and sea to air shipments.

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*Land—traveller stream*

*Land—commercial stream*

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#### *Marine—traveller stream*

Recreational boats entering Canada are required to stop at a designated telephone reporting marine site to contact the CBSA.

#### *Marine—commercial stream*

The Pacific Region marine mode covers a very large geographic area where BSOs often have to travel long distances to examine the crews and goods of arriving vessels. The Vancouver Port alone offers 57 marine terminals and covers more than 600 kilometres of shoreline.

### Prairie Region

The Prairie Region is the largest CBSA area of operations, covering almost 40 per cent of Canada's geographic area, and includes a larger segment of the Canada-U.S. land border than any other region. The area includes operations in the provinces of Alberta, Saskatchewan, Manitoba, and the Northwest Territories, including the clearance of seasonal vessel traffic entering the Canadian Northwest Passage in the Arctic. The region is composed of four districts that oversee operations at 43 POEs covering all modes of traffic. Winnipeg is also

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home to the National Rail Targeting Unit,

However, Prairie Region's geographical size presents some unique challenges.

The new International Terminal Building at the Calgary International Airport is set to open in the fall of 2016 and will include primary inspection kiosks. The modernization of the Calgary airport will bring it in line with the largest airports (Vancouver, Toronto and Montreal) in the country.

*Air-traveller stream*

There are 5 major international airports and 15 small airports in the Prairie Region that are serviced by the CBSA.

The majority of Prairie Region's international flights are continental, but these include flights from U.S. international hubs. Prairie Region airports also receive direct flights from overseas and sun destinations, some of which are known drug source and transit countries. This past May, the Calgary, Edmonton, and Winnipeg international airports welcomed WestJet's London-Gatwick flights. In June, Calgary International Airport also welcomed Edelweiss Air direct service from Zurich, and Hainan Airlines' direct service from Beijing.

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*Air—commercial stream*

*Land—traveller stream*

The Prairie Region's land frontier spans three provinces and accounts for a large segment of Canada's shared land border with the United States. There are 34 POEs,

*Land—commercial stream*

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*Marine—traveller stream*

The Northwest Passage is experiencing annual increases of marine traffic for both tourism and trade. Longer ice-free summers have translated into longer and safer marine navigation seasons across the Arctic. As volumes of vessels and travellers continue to grow,

*Marine—commercial stream*

The port's main business is exporting Canadian grain to international markets and supplying northern Canadian communities

The Prairie Region conducts clearances and examinations on inbound and outbound vessels, crew, and commodities arriving at this port.

## Northern Ontario Area Region

The Northern Ontario Region (NOR) is the second largest administrative region in the CBSA and covers almost 3 million square kilometres. The boundaries stretch from the outskirts of the Greater Toronto Area Region, east along the Quebec border to the Arctic Circle, and west to the Manitoba border. It includes the waterways of Lake Superior and the St. Lawrence, and a number of inland offices. The region is divided into 3 districts, Northwestern Ontario, Ottawa, and the St. Lawrence, and covers all modes including 7 highway crossings, 2 rail

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crossings, more than 100 marine reporting sites, 1 ferry crossing, and more than 25 airports and air reporting sites.

*Air—traveller stream*

Air traffic at the smaller airports in the region largely consists of seasonal charter flights to sun destinations, and private aircraft.

*Air—commercial stream*

Most ports in the region, regardless of mode and stream

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- *Undeclared currency and proceeds of crime*
- *Counterfeit goods*

*Land—traveller stream*

The Northern Ontario Region has seven highway crossings, and on average, over the past three years, has processed 6.955 million travellers annually (roughly 8 per cent of the national total).

consistently have the highest volumes of travellers in the region, and combined, these ports processed 67.9 per cent of the travellers in 2015–16.

The potential for economic growth in the NOR district in the resource extraction sector could trigger increased demand for foreign workers.

The top threats are:

- *Inadmissible foreign nationals*
- *Drugs*
- *Human smuggling between ports of entry*

*Land—commercial stream*

releasing 52.6 per cent of the shipments in 2015–16 for the region, but each of the land border ports in the NOR are designated commercial offices, with the exception of Rainy River. The NOR processes between 3.5 and 3.9 per cent of the highway commercial shipments in Canada.

Seizures in commercial loads are often the result, with the aid of. The introduction of advance commercial data in the highway mode means that more shipments are being machine-released and fewer shipments are being referred to sufferance warehouses.

The top threats are:

- *Drugs*
- *Food, Plant and Animal products*

*Marine—traveller stream*

The marine traveller mode in the NOR primarily encompasses private boats and small watercraft.

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### *Marine—commercial stream*

The NOR is responsible for huge portions of the St. Lawrence River, Lake Ontario, and Lake Superior.

### Southern Ontario Region

The Southern Ontario Region (SOR) of the CBSA was created on April 1, 2011. SOR covers the southern portion of Ontario between Lakes Huron, Erie, and Ontario. It shares land borders with the states of Michigan and New York, and lies across Lake Erie from Ohio and Pennsylvania. Despite its relatively small geographic size, the region is populous. It encompasses the cities of Windsor, Sarnia, London, Fort Erie, and Niagara Falls, and their surrounding communities. It is also somewhat of a geographic anomaly, jutting peninsula-like into the U.S. between Michigan and New York states. The SOR includes the major highway conduit to Toronto,

with 6 international bridges, 1 tunnel for automobile traffic, 2 medium-sized airports (London and Windsor), and 19 general aviation airports. The region has 2 international railway tunnels, one in Windsor and one in Sarnia, and a railway bridge at Fort Erie that moves some of the highest volumes of rail and intermodal freight to and from Canada. There is an ongoing project to construct new international bridge between Windsor and Detroit, currently going through the final stages of the bidding process for the contractor.

In Niagara Falls, an Amtrak passenger train crosses daily over the Whirlpool Bridge.<sup>7</sup> There are just under 200 marine reporting sites straddling the St. Clair River, Lake Erie, and Lake Huron. Several Reserves are located within the SOR's boundaries,

In addition to these operations, a number of unique

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<sup>7</sup> As per [http://atlas/sor-rso/about-sujet/index\\_eng.asp](http://atlas/sor-rso/about-sujet/index_eng.asp) and <http://maps.google.com/>, both accessed 2013-02-04.

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services are provided throughout the region,

*Air—traveller stream*

London International Airport offers regularly scheduled international and transborder air service. Windsor International Airport also sees regular arrivals of private aircraft, and recently started international service by sun destination charters.

*Land—traveller and commercial streams*

The SOR has seven land crossings and is the busiest region for land border travellers in Canada.

In 2015–16, the SOR was responsible for 44.8 per cent of national land border releases. The Ambassador Bridge is the busiest POE along the Canada/U.S. border, with more cargo trade than any other border crossing in the world  
SOR ports also have some of the examination in the mode and stream nationally.,.

*Marine—traveller stream*

The SOR is bordered on three sides by significant bodies of water: the St. Clair River and Lake Huron on the west, Lake Erie on the south, and the Niagara River on the east.

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<sup>8</sup> <http://www.publicsafety.gc.ca/cnt/nws/nws-rlss/2011/20110720-eng.aspx>

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The region is a conduit to major Canadian and U.S. urban centres,

There are over 150 marine reporting sites throughout SOR, in addition to 4 ferry crossings.<sup>10</sup>

*Marine—commercial stream*

Three regions line the Great Lakes-St. Lawrence Seaway, from the edge of Quebec into the Great Lakes. Some of North America's largest ports are located along the Seaway.

CBSA operations at the Port of Montreal are responsible for selecting for examination vessels heading into the Great Lakes from the St. Lawrence Seaway

*Greater Toronto Area Region*

The Greater Toronto Area Region (GTA) is the CBSA's smallest geographic region, but it is responsible for processing more than 40 per cent of all air travellers, the vast majority of which are processed by operations at the Toronto Pearson International Airport (TPIA). The GTA is the only region in Canada that doesn't have a land border POE.

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<sup>10</sup> <http://www.cbsa-asfc.gc.ca/contact/listing/indexpages/index1435-e.html#d1435>. Accessed 2016-04-14

<sup>11</sup> Joint U.S.-Canada Conference on Great Lakes Marine Border Threats. US Department of Homeland Security, December 10, 2008. Unclassified//FOUO

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The GTA is comprised of three districts: the Passenger Operations District and the Commercial Operations District are both located at TPIA in Mississauga. The Outport and Postal Operations District is located in Hamilton, and consists of the Hamilton/Kitchener Operations in the John C. Munro/Hamilton International Airport and the Region of Waterloo International Airport, the Billy Bishop Toronto City Airport located in downtown Toronto

The region is characterized by the tremendous volumes of air travellers and commercial goods processed at TPIA, accounting for 44.8 per cent of all air travellers, and 38.3 per cent of commercial and courier releases processed nationally from 2006 to 2012. TPIA also clears the marine cargo that is destined for the Toronto area.

*Air—traveller stream*

The GTA region processed 44.5 per cent of all air travellers from 2009 to 2015 nationally. There are five airports that process international travellers in this region: Kitchener, Hamilton, Oshawa, Billy Bishop Toronto City Airport (BBTCA), and Toronto Pearson International Airport (TPIA), which accounts for 95 per cent of the region's air traffic

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*Air-commercial stream*

*Marine—traveller stream*

There are 77 designated marine reporting sites throughout GTA

*Marine—commercial stream*

GTA marine commercial operations represent a small fraction of national totals.

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## Quebec Region

The Quebec Region is located northwest of the St. Lawrence and borders Ontario. The region is divided in the Airports District, St. Lawrence District and East Border District.

the Airports District is sparsely populated and its offices manage no land border POE. Its operations are centered on people and goods arriving at the Montreal Pierre-Elliott Trudeau International Airport and commercial cargo being shipped to Mirabel Airport. Together, these two airports represent the vast majority of people and goods entering and leaving Quebec in the air mode. Since the closing of the Cote-de-Liesse office in 2011

the district now handles more than 97 per cent of the volume of mail in the Quebec region.

The St. Lawrence District extends from Montreal to the Îles-de-la-Madeleine. It has 11 offices

The services offered are diverse and include postal operations in Montreal, Longrooms in Montreal and Quebec, maritime and rail service, the Jean Lesage International Airport, and 6 coastal offices. There are also more than 200 sufferance and bonded warehouses and several regional airports (AOE / 15) within the district. <sup>11</sup>

The East Border District covers two sectors, the Appalachian and Stanstead, with 18 service points bordering the three American states of Vermont, New Hampshire, and Maine. The Appalachian mountain chain forms a natural barrier between the eastern coastal plain and the interior lowlands of North America. The border crossings are serviced by regional hilly roads surrounded by forests. The forest industry is important and commercial truck drivers are regularly processed, along with locals from rural communities and vacationers

Its  
16 service points share a 300 kilometre straight-line border with Vermont and New York states. The District services the strategic commercial corridor between Montreal and New York, processing approximately five million travellers annually. Connecting Highway 15 with Interstate 87

In 2015–16, Lacolle processed 783,524 cars, 7,193 buses, and 268,781 trucks.<sup>12</sup>

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<sup>12</sup> PRU

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**ATIP: Section 21 refers**

*Air—traveller stream*

Annually, the Quebec Region processes approximately 18 per cent of all national air travellers. Montreal Pierre Elliott Trudeau International Airport (PETIA) is the predominant international airport for the Quebec Region, processing approximately 96 per cent of all flights.<sup>13</sup>

the Jean Lesage International Airport in Quebec City offers regular flights to the United States, Europe, and a few southern destinations.

*Air—commercial stream*

*Land—traveller stream*

Together, the Montérégie Border District and the East Border District have 35 ports of entry along 800 kilometres of border with the United States, some in flat, rich farm fields, and others in the hilly forest terrain of the Appalachian Mountains.

Every year, the two districts clear about 6.3 million international travellers who come to Canada by car and train, and by boat from the Richelieu River and Lake Champlain.

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<sup>13</sup> AS per <https://cbsawikiasfc/display/pp/Montreal+percent28P.+E.+Trudeau percent29+International+Airport>, accessed 20 February 2013.

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**ATIP: Section 21 refers**

*Land—commercial stream*

Annually, the Quebec Region is responsible for about 7 per cent of national land border releases.

*Marine—traveller stream*

The Quebec Region processes approximately 9 per cent of the marine travellers across Canada annually.

*Marine—commercial stream*

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**ATIP: Section 21 refers**

## Atlantic Region

The Atlantic Region consists of the four Atlantic Canadian provinces: Newfoundland and Labrador, Nova Scotia, New Brunswick, and Prince Edward Island. The Region has three districts: Nova Scotia–Newfoundland and Labrador; North-west New Brunswick; and, Southern New Brunswick and Prince Edward Island.

The Region is geographically smaller than most other CBSA regions, but it has one of the longest borders. It is the closest region from Canada to Europe and to the Caribbean by sea. It is also the only region that is in proximity to another country besides the United States—the islands of Saint Pierre and Miquelon are French territories located just off the coast of Fortune, Newfoundland.

### *Air—traveller stream*

The Atlantic Region handled 1.82 per cent delete of the air travellers who arrived in Canada in FY 2015–16. Three regional airports process 88.7 per cent of international arrivals: Halifax Stanfield International Airport (61.7 per cent), St. John's International Airport (19.1 per cent), and Gander International Airport (7.9 per cent). There are 54 air traveller reporting sites for private aircraft scattered throughout the region.

The number of travellers arriving at Halifax Stanfield International Airport (HSIA) has increased. The number of foreign nationals processed at the airport for work permits has also increased significantly, as has the demand for study permits for some nationalities.

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*Land—traveller stream*

The Atlantic Region processed roughly 5.8 per cent of national land travellers for FY 2015–16. The majority of those travellers cross at St. Stephen Ferry Point Bridge, Woodstock, and Edmundston. Many travellers are local, sometimes crossing several times a day. St. Stephen has three POEs (Ferry Point, Milltown, and 3rd Bridge) in the community, each with its own unique characteristics and traffic.

*Land—commercial stream*

The Atlantic Region processed 1.4 per cent of land commercial releases in FY 2015–16. Almost 90 per cent of the releases in the region are handled by four ports: 3rd Bridge (52.8 per cent), Woodstock (26.8 per cent), Edmundston (6.22 per cent), and St. Leonard (4 per cent).

*Marine—traveller stream*

The Atlantic Region receives approximately 14.3 per cent of the nation's marine travellers.

Most areas are rural, rugged, and sparsely populated.

The cruise ship industry is seasonal in Canada, running from April until October. Cruise ships mostly arrive from the U.S., the Caribbean, and Europe. They carry many passengers and.

The proximity of the French Territory to the coast of Newfoundland means that in good weather most small vessels can make the crossing.

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*Marine—commercial stream*

Atlantic Region's maritime geography is rugged, containing many small ports where vessels can easily dock.

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# 2013-2015

# National Border Risk Assessment



May, 2013



Canada Border  
Services Agency

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## 2013-15 National Border Risk Assessment

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2013-15  
NATIONAL BORDER RISK  
ASSESSMENT

PART I:

NATIONAL FINDINGS

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## 1 Introduction

The National Border Risk Assessment (NBRA) is the Canada Border Services Agency's national assessment of the top border risks, as well as the most significant vulnerabilities driving these risks. The assessment is a policy neutral representation of the state of CBSA enforcement capabilities in the context of current programs and initiatives. A sister product, the *Border Risk Management Plan* (BRMP), develops prescriptive strategies based on NBRA conclusions in order to build border resilience, in consideration of new programs and initiatives currently under development.

Only the top risks are identified in the NBRA. Top risks are those that the CBSA is unlikely to mitigate satisfactorily within the realm of regular operational business, given the specific nature of the threat and the vulnerabilities that underpin the risk.<sup>1</sup> This approach allows the Agency to differentiate between risks that are adequately addressed through its "normal net" of regular border operations, and those that require a specific risk mitigation strategy, which often will require the collaboration of multiple CBSA programs. The NBRA, thus, becomes a tool to "pick important problems that need to be fixed."<sup>2</sup>

### Structure

The NBRA assessment has been divided into two chapters for ease of use. The first chapter provides a national perspective on risks and vulnerabilities by mode and stream. The second chapter assesses the unique regional risks and vulnerabilities that extend beyond the national findings. It should be noted that risks and vulnerabilities in the Commercial Rail, Postal and Courier/Low Value Shipment (CLVS) streams were found to be relatively uniform across all CBSA regions. In the interest of avoiding repetition, concerns in these streams are only discussed in the national chapter.

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<sup>1</sup> The risk management principles underlying this approach were drawn from the work of Harvard University Kennedy School of Government Professor Malcolm Sparrow. See Sparrow, Malcolm K. "The Regulatory Craft: Controlling Risks, Solving Problems and Managing Compliance" Brookings, 2005; and Sparrow, Malcolm K. "The Character of Harms: Operational Challenges in Control" Cambridge University Press, 2008.

<sup>2</sup> To paraphrase Sparrow: "picking important problems and fixing them". The Regulatory Craft, op-cit. p. XVI

<sup>3</sup> In some cases, overlap between operational and enterprise risk is natural. The NBRA only documents enterprise-related risks when they contribute significantly to the perpetration of border infractions.

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## Changes in the 2013-14 NBRA

### *Crowd-Sourced Expertise*

The current assessment continues to exploit the “wisdom of the crowds” to identify top border risks and vulnerabilities. This year, two anonymous surveys were administered for the purposes of informing the 2013-14 NBRA. The surveys were delivered, completed and returned electronically by respondents using the CBSA intranet (ATLAS). They were designed to harness the collective, national expertise of Border Service Officers (BSOs), Superintendents, Intelligence Officers (IOs) and Intelligence Analysts (IAs) to come to a consensus view (as well as identify outlier positions) regarding the top border threats and the vulnerabilities allowing these threats to be successful.

In the first survey, respondents were asked to provide basic, non-identifiable biographic information (their region and location of work and years of experience), as well as any unique characteristics of their work environment. They were then asked, in their own words, to assess and identify:

- the specific border infractions most frequently missed at their location (by mode and stream);
- any local outbound national security concerns;
- whether the CBSA focuses on the right enforcement problems; and,
- the biggest local problems, challenges and weaknesses in carrying out their work.

The second survey presented the same survey population with the aggregate results of the first survey and asked them to validate the results (modified Delphi approach). The cumulative survey results helped to calibrate the CBSA’s enforcement risk environment. As in the previous NBRA, the survey results were then validated through a variety of means, including site visits, and extensive research of corporate, open and classified data repositories.

### *Field Collection*

Risk Management and Foresight Division (RMFD) staff complemented desk-based research and survey results with site visits to a cross-section of over 30 ports of various sizes and configurations. Each domestic region, mode and stream was visited ranging from the largest to the most remote.

### *Risk in the Border Continuum*

The most recent NBRA expands the concept of risk in the border continuum, and will be used to develop risk mitigation strategies that will be delivered via the BRMP. To achieve a full examination of risks in the continuum, from Pre-Border to Inland and Trade, the NBRA will move to a two year cycle. This will provide time to reach out to international and domestic regulatory and enforcement partners, as well as academics.

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### *Strategic Concerns and Blind Spots*

A new context piece strategic concerns and key knowledge gaps has been developed to identify strategic and national security risks requiring further validation through intelligence collection and analysis.

#### **National Security & Terrorist Risks**

The NBRA considers terrorism by focusing on specific border-related elements of an act or event and avoids using the catch-all “terrorism” category. Instead, national security is assessed through the relevant border infractions, notably the entry of foreign nationals who are inadmissible due to their involvement with terrorism-related activity, seized currency related to the financing of terrorist activities and the counter-proliferation of weapons and dual use technologies.

The NBRA focuses on CBSA vulnerabilities rather than specific threats. Reducing vulnerabilities that underpin successful border infractions will mitigate multiple threats, including those posed by terrorists.

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## 2 National Overview

### 2.1 Strategic Issues and Blind Spots

A number of illicit activities emerged as outlier border risks during research for the NBRA.<sup>4</sup> Within the CBSA there is limited situational awareness of these risks, few sources of information, and great uncertainty of the scope and scale of the activities from a border perspective. As a result, these activities represent “known unknowns”; the degree to which they are known dictates whether they are a strategic issue (more known) or a blind spot (far less known). In all cases, further research and knowledge development are required in order to validate these risks.

The 2013-14 NBRA identified the following strategic issues of concern and blind spots:

**Other Government Department (OGD) Obligations.** Officers at ports of entry are primarily focused on the core mandate of the CBSA. However, there are also numerous acts and international agreements for which the CBSA is best placed to interdict illicit activity, despite not having the lead for the Government of Canada. The CBSA’s role in enforcing other government departments’ legislation ultimately fulfills a public safety mandate to protect Canada and Canadians in addition to fostering Canada’s reputation abroad through adherence to International Agreements. Examples of infractions identified by officers include, CITES, dangerous goods (Transport Canada), pharmaceuticals and other regulated health products (Health Canada) and explosives (Natural Resources Canada). Illicit markets globally for CITES goods and counterfeit pharmaceuticals far exceed some traditional criminal markets.<sup>5</sup>

**Intellectual Property Rights (IPR).** The flow of counterfeit goods from Asia to the United States and European Union is estimated to be valued over USD \$25 billion, or two percent of total trade.<sup>6</sup>

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<sup>4</sup> Most were identified as outlier risks because they were cited infrequently in both the crowd-sourcing surveys as well as in Agency and community knowledge repositories, demonstrating that they are far less visible to staff when compared with “core mandate” activities.

<sup>5</sup> UNODC, “Transnational Organized Crime in East Asia and the Pacific: A Threat Assessment” April 2013.

<sup>6</sup> Ibid.

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The CBSA is the first domestic point of contact in the international trade system.

**Outbound Terrorism.** The CBSA has tools in place, such as advanced data requirements, for air passengers in order to identify, in advance of arrival in Canada, travellers that may be involved in terrorism.

**Outbound Proliferation (Travellers and Highway).** The CBSA has a robust counter-proliferation program in the marine and air commercial modes,

**Human Trafficking.** Canada is identified as both a source and destination country for victims of human trafficking.<sup>7</sup> Although most human trafficking prosecutions have been domestic in scope, the nature of the offense means that victims may be unwilling or unable to come forward. As such the scale of the problem, in particular cases with a border nexus, remains largely unknown. The very nature of the movement is nearly imperceptible from a border perspective, as the actual criminal offence most likely occurs on destination.

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<sup>7</sup> U.S. Department of State, Office to Monitor and Combat Trafficking in Persons. *2012 Trafficking in Persons Report*.

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## 2.2 National Vulnerabilities

Traditionally, “risk” at the CBSA has been synonymous with “threat.” However, they are different concepts. Threat, in the CBSA context, refers to the capabilities and intentions of malicious actors to circumvent border controls.

Risk, on the other hand, is a function of the interaction between threat, vulnerability and impact. The vulnerability variable refers to the level of controls and security measures the CBSA uses to protect against threats. The impact variable refers to the consequences to Canada and Canadians when threat events are not stopped by our controls.

Vulnerabilities are the key element of the CBSA’s enforcement risk methodology, as it corresponds to the CBSA’s mandate, which is essentially to create effective border controls to counteract threat events. The following section elaborates the most significant national border vulnerabilities.

**Volume Management.** Large border volumes and labour-intensive primary inspection processes limit the CBSA’s capacity to focus adequately on enforcement activities. Ports therefore tend to respond to the few clearly established metrics available: border wait times, and industry delivery standards.

This has had a noticeable impact on officer morale, nation-wide.

In addition, POEs with more successful resultant rates are generally not studied to draw lessons that could be applied at other locations. As a result, the Agency cannot gauge the relative quality and effectiveness of various types of examination referrals (random, selective, intelligence, targeted) to draw valuable business and threat intelligence that would make examinations increasingly more effective over time. Compliance rates are typically local and arbitrary.

**Advanced Information & Targeting.** Advanced information and targeting serve to identify the people, goods, and conveyances that may pose a risk to Canada in the Air, Marine, and Rail environments. Each targeting system has its own limitations, which directly affects enforcement capabilities. The quality of data received from the industry is the foundation of our targeting programs,

The CBSA also lacks formal arrangements with certain industry stakeholders to secure advanced information on :

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**Dependence on Industry.** Because of the CBSA's dual mandate, CBSA operations must strike a balance between facilitating the movement of people and goods with enforcing all relevant Acts and Regulations. However, in the conditions imposed by private industry hinders enforcement operations. For example, the cost associated with

**Self-Reporting.**

Reporting sites are often significant distances from the responsible port and referrals from the TRC often cannot be met. There is not enough information available to draw firm conclusions, but it is possible that

**Geographic Area of Responsibility.** There are hundreds of isolated reporting sites with no permanent CBSA presence. In many cases, the offices responsible for these sites

**Internal Conspiracies.** The presence of organized crime groups at and around ports increases the likelihood that CBSA personnel will be exposed to corruption, which may result in the exploitation of a port for illicit purposes. Small and remote ports are not immune to this vulnerability. A Northern Ontario Region BSO was recently dismissed for associating with known organized crime figures.

In general, the presence of organized crime groups at and around ports increases the likelihood that CBSA personnel will be exposed to corruption, which may result in the exploitation of a port for illicit purposes. Small and remote ports are not immune to this vulnerability. A Northern Ontario Region BSO was recently dismissed for associating with known organized crime figures.

**Subject Matter Expertise.** The Agency preference for generalist BSO cadres over specialized officer streams has eroded subject matter expertise, particularly in the Food, Plant and Animal (FPA) and immigration program streams. Many officers have received basic FPA training, but lack the possibility to learn from specialists. Similarly, the CBSA has made significant efforts to cross train officers in the

**Tools.** BSOs often lack the adequate tools, technology and infrastructure necessary to ensure the integrity of the CBSA mandate.

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available, there are no national standards for its application. Where technology is available, there are no national standards for its application. In addition, enforcement tools are not often used to their full potential.

**Hours of Operation.** As a result of low volumes, many land commercial port operations have limited hours of operation.

**Training.** The commercial in-service course covers all modes (air, marine, land and rail) allowing little opportunity to develop specialized knowledge of a particular mode. As a result, the bulk of commercial training takes the form of on-the-job mentoring. In addition the course was designed over 10 years ago and does not include new tools and innovations, such as Advanced Commercial Information (ACI) and eManifest, which have substantially changed the nature of commercial processing. Subject matter expertise therefore comes from work experience.

**Officer Health & Safety.** Officers at small POEs who conduct enforcement activities on members of their own small community may be vulnerable to the effects of stigmatization. Over time, familiarity between officers and travellers may impact the examinations and referral decisions.

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**Threat Knowledge.** Officers at POEs lack Agency support in developing comprehensive situational awareness of their operating environment,

**Communication.** CBSA is a large organization with over 13,000 employees across Canada and overseas. Communication within the Agency is often cumbersome. For example, officers note that finding reference material on ATLAS, the Agency's intranet, is problematic. It is constructed based upon a constantly changing headquarters structure rather than operational function. Too often, officers must call regional or national headquarters contacts to find the answer to simple operational questions. Communications tools between officers are also largely dated, preventing the organic development of larger nation-wide informal networks of subject matter experts that many social media tools now help to encourage.

**Between the Ports.** The RCMP have the mandate to monitor and interdict illicit activity between CBSA ports. However, they often have areas that surround many smaller POEs, making follow-up efforts on reports of non-compliance of the *Customs Act* and the *Immigration and Refugee Protection Act* (IRPA) CBSA officers will often report suspicious behavior to the RCMP, but there are no formal protocols between the two organizations that would allow the CBSA to determine whether referrals were responded to, and the associated results.

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### 3 Part I: National Findings by Mode and Stream

#### 3.1 National Air: Traveller Stream

A number of top risks and vulnerabilities were identified in the air traveller environment, as outlined below. However, the air traveller stream also features more controls relative to other modes and streams. Airports have multiple layers of physical security. The CBSA receives advanced information on every air traveller, and every traveller interacts with the CBSA prior to being allowed to enter Canada. Officer access to CBSA IT systems and electronic lookouts help to identify many individuals with known or suspected enforcement issues.

Despite existing controls, national security-related threats remain the most acute in the air traveller stream. Data quality issues hinder CBSA national security targeting activities.

Lester B. Pearson International Airport (LBPIA) is the busiest airport in Canada; approximately 42 percent of all international arrivals entered Canada there from 2006 to 2012. Only 26 percent of travellers processed by the CBSA over the past 5 fiscal years arrived by air. However, because air travellers arrive from all corners of the world, they represent a broader range of possible threats to Canada when compared to other modes. Airports are hubs of international criminal activity. They are used to smuggle people, drugs, contraband, currency and controlled dual-use technology. They facilitate the global trafficking of human beings. They are also among the most likely entry point for irregular migrants and foreign nationals that pose a risk to the national security of Canada.<sup>8</sup>

##### Top Risks:

- Inadmissible Foreign Nationals
- Drugs
- Proliferation
- Proceeds of Crime

**Inadmissible Foreign Nationals.** Immigration misrepresentation leading to the entry of inadmissible foreign nationals is the most serious risk in the air traveller stream, particularly at LBPIA. From 2003 to 2012, LBPIA has processed 57 percent of all refugee claims made at Canadian airports; in 2010 and

<sup>8</sup> This includes individuals who are inadmissible for espionage, subversion, terrorism, or may be war criminals, members of an organized crime group, transnational criminals, or have been previously convicted of an offence which would constitute a serious crime if committed in Canada.

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2011, it was over 80 percent.<sup>9</sup> Since 2003, there were 199,337 refugee claims made in Ontario (75 percent of all refugee claims made in Canada); the majority were made inland in the Greater Toronto Area (GTA) region, many claimants having likely arrived through LBPIA under false pretences. Many claims were also made by individuals travelling on documents from visa-exempt countries, making them difficult to detect before arrival. Foreign nationals file refugee claims under false identities for many reasons. They may wish to conceal previous criminality, facilitate fraud, or engage in clandestine activity within Canada.

It is difficult to ascertain how many of these cases occur annually,

Foreign nationals who are inadmissible on national security grounds for their association with terrorism or espionage also enter Canada.

From 2008 to 2010, 170 terrorism-related refugee cases were identified across Canada,

Human smuggling and Improperly Documented Arrivals (IDAs) also represent a serious risk, and the CBSA has dedicated Flexible Response Teams (FRTs) at many international airports to help identify and interdict fraudulent documents, imposters, and facilitators. In 2012, the top three source countries for refugee claims, Hungary, the Slovak Republic, and Croatia, were visa exempt. Hungary alone accounts for over 50 percent of all refugee claims. There were 431 identified IDAs at LBPIA in 2012, the majority of whom were undocumented. Eight individuals suspected of smuggling or facilitating the entry of an IDA were also intercepted.<sup>12</sup>

**Drugs.** Despite increasing volumes, the number of secondary examinations in the air traveller environment has been declining year-over-year, and the number of drug seizures has decreased by 30 percent since 2009. During the 2011/12 fiscal year, LBPIA was responsible for 39 percent of all significant cocaine seizures, 43 percent of significant heroin seizures and 90 percent of significant Khat seizures in the air traveller stream.

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<sup>9</sup> Since 2006 there have been 35,078 refugee claims made at Canadian airports; 20,301 were made at LBPIA. There were 3,915 refugee claims made at airports in 2010/11 and 3,205 were made at PIA.

<sup>10</sup> 2011/12 APR. Pg.250

<sup>11</sup> Terrorism Inadmissibility Risk Assessment Draft. Strategic Risk and Foresight Division. (Protected B)

<sup>12</sup> Pearson Trend Report: Year in Review 2012. PIA Disembarkation and Roving Team (DART).

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Many smaller regional airports also operate seasonal flights to sun destinations that are known source countries for drugs. Khat is also commonly transported by air because of its short shelf life. Khat is not as harmful as cocaine and heroin,

**Proliferation.** Controlled goods and dual-use technology continues to be smuggled out of Canada via the air traveller stream in contravention of Canadian and international export legislation.

The Enforcement and Intelligence Operations Directorate (EIOD) works together with regional intelligence officers to intercept those known and suspected of breaking anti-proliferation laws,

**Proceeds of Crime.** Undeclared currency, including the proceeds of crime (POC) and terrorist funds raised in Canada are being imported and exported through the air traveller stream. Enforcement history demonstrates that fewer currency and POC seizures are taking place on an annual basis. Since 2009, currency and POC seizures fell by more than 50 percent in volume and CAD \$5 million in value.

#### Private Aircraft Compliance Verification

Over 156 000 flights reported to the CBSA TRC on average between 2008 and 2012. Each year, around      percent of TRC arrivals are referred for further verification, but current tools do not capture how many referrals result in physical examinations.

<sup>13</sup> CBSA OBEC reports (Prot. B), and CISC NCIE 2012 (Prot. A)

## Vulnerabilities

**Volume Management.** Since 2010, the number of secondary examinations and enforcement actions against travellers has fallen by 31 and 37 percent respectively, while the number of travellers has increased by over a million people, or 11 percent. Simultaneously, the pressure to maintain service standards such as border wait times has strained reduced resources dedicated to enforcement in the air traveller environment.

**Internal Conspiracies.** Internal conspiracies involving airport and airline staff pose the greatest challenge to CBSA enforcement operations.

There is a known presence of organized crime groups at many Canadian international airports. These groups target vulnerable airport employees with access to restricted areas, in order to facilitate criminal activity.

## Threat Knowledge.

**Subject Matter Specialisation.** The Agency preference for generalist BSO cadres over specialized officer streams has eroded subject matter expertise, particularly in the Food, Plant and Animal (FPA) and immigration program streams. The departure of legacy Agriculture officers is eroding already limited subject matter expertise in administering the FPA program at airports. While many officers have received basic FPA training, few now have the possibility to learn from retiring subject matter experts. The CBSA has made significant efforts to cross train officers in the immigration stream.

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**Advanced Information & Targeting.** The National Targeting Centre (NTC) is now responsible for the targeting of all international flights across the country.

This change has improved the CBSA's ability to comply with the legislative requirements regarding personal information,

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### 3.2 National Air: Commercial Stream

Approximately 25 percent of all cargo goods processed by the CBSA arrive in Canada through the air commercial stream (including air cargo and courier high value shipments). This is three times less cargo than is processed at the land border, but represents far more diverse, high threat points of origin. Risk in the air commercial stream is a function of high volumes, low examination rates, and exposure to a broad threat climate. Advanced information allows the CBSA to identify potential threats amongst air cargo shipments, but does not mitigate corruption at airports. Air cargo is also the most frequently abused stream for the illicit export of controlled or sensitive goods and technologies, in contravention of Canada's counter-proliferation efforts. Drugs also pose a significant risk in this stream due to the potential to conceal large quantities in a single shipment and the prevalence of organized criminality in major airport environments. Approximately 39 percent of air cargo enters Canada through LPIA in Toronto, making it the busiest airport and most significant POE for air cargo in Canada.

#### Emerging Risk: Counterfeit Goods

Counterfeit goods, cheques and money orders are assessed as emerging risks, despite little enforcement history. Counterfeit goods represent a complicated enforcement problem for the CBSA due to restrictive legislation. Recent changes to the law will allow the CBSA to take a more proactive role in detaining counterfeit goods and informing rights holders of suspect shipments for more expeditious legal action. However, discretion to take action on these shipments remains the purview of the CBSA.

#### Top Risks:

- Proliferation
- Drugs
- OGD: CITES

**Proliferation.** Counter-proliferation related export infractions compromise the security of Canada, and the international community. The air commercial stream (courier and cargo) is the most frequently utilised vector for the export of controlled or sensitive technologies in contravention of Canadian and international export legislation. In 2012/13, 104 enforcement actions took place at airports involving goods valued at CAD \$7.7 million (not including the intangible cost of the illegitimate transfer of controlled technology). Interdicting outbound controlled goods is challenging in the air commercial environment because of the two-hour pre-departure reporting requirement for goods being exported, which makes risk assessment difficult. Export declarations can be made after business hours, with the

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goods being shipped before they are assessed by the CBSA. In some cases, there is merely a drop box for after-hours export declarations.<sup>15</sup>

**Drugs.** The air commercial stream is regularly exploited to import drugs including cocaine, heroin, and opium concealed in cargo shipments. Unlike the land mode, air cargo shipments arrive daily from a broad spectrum of international locations, including source and transit countries for narcotics. Certain perishable narcotics, such as khat, are most commonly encountered in the air cargo stream. Unlike the courier and postal streams which see frequent small quantities of drug shipments, drug seizures in the air cargo environment tend to be less frequent, but larger and much higher valued. In 2012 only 12.5 percent of drug seizures occurred in the air commercial stream, but they were worth almost CAD \$135 million, which is 44 percent of the value of all drug seizures in all modes.

#### **OGD: Convention on the Trade in Endangered Species (CITES).**

<sup>17</sup> In Europe, the value of some protected goods, such as rhinoceros horns, now far exceeds the value of traditional enforcement priorities such as cocaine.<sup>18</sup> Criminal organizations across Europe have adapted their business models to meet emerging demands for endangered species and related goods, where high profits can be made at relatively low risk to the organization.

Agar wood, a heavily scented wood originating in Asia, was routinely identified at Ottawa Air Cargo for example, but it was not known by staff to be a CITES protected good until an unrelated meeting with Environment Canada experts. Canada is also a source country for the export of CITES-protected polar bear skins.

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<sup>15</sup> Air Cargo Risk Assessment. Strategic Risk and Foresight Division, February 2013. Protected A

<sup>16</sup> In the GTA 65 out of 673 drug seizures were found to have IC connections in 2012. They accounted for 67% of the value of all drug seizures.

<sup>17</sup> CITES is an international agreement, to which Canada is a signatory, to protect endangered species of wild animals and plants.

<sup>18</sup> Intelligence Bulletin, "Street Value of Rhinoceros Horns Exceeds Cocaine", Northern Ontario Region Intelligence Division, February 8, 2012. Also "Coveting Horns, Ruthless Smugglers' Rings Put Rhinos in the Cross Hairs", NYTimes, December 31<sup>st</sup>, 2012. [http://www.nytimes.com/2013/01/01/world/africa/ruthless-smuggling-rings-put-rhinos-in-the-cross-hairs.html?\\_r=4&](http://www.nytimes.com/2013/01/01/world/africa/ruthless-smuggling-rings-put-rhinos-in-the-cross-hairs.html?_r=4&)

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## Vulnerabilities

### Infrastructure.

**Volume Management.** When volumes spike, FRT officers are often assigned to process travellers at primary inspection, reducing the number of officers available to conduct examinations. In addition, lack of 24/7 commercial operations at many of these ports has adverse consequences for the CBSA's enforcement capabilities.

### Compliance.

**Advanced Information & Targeting.** The CBSA's Advanced Cargo Information (ACI) program facilitates risk assessment, allows for the pre-arrival targeting of air cargo, and contributes to enforcement efforts, but commercial targeting system

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### 3.3 National Land: Highway Traveller Stream

In 2011/12 nearly 70 million travellers were processed at CBSA land border ports of entry, representing close to 70 percent of the total number of travellers in all modes of transportation. The vast majority of traffic consists of Canadian citizen (and resident) cross border shoppers, business commuters and tourists returning home by private vehicle. U.S. citizens and residents entering Canada for tourism, business or transit make up most of the remainder.

Some Canadian border towns are more dependent on their U.S. counterparts for goods, services and employment opportunities. Other ports, such as in the Southern Ontario and Pacific Regions, also act as conduits that facilitate the movement of travellers and goods between US states. These factors significantly influence the types of threats the CBSA faces at land traveller ports and the resulting risks.

As the CBSA modernizes, advanced data and automated risk assessment become ever more critical tools to securely manage the flows of people and goods entering Canada. None of these transformative tools are available for the land traveller stream at this time. Some ports have automated licence plate readers, the Integrated Primary Inspection Line (IPIL) system, and various levels of access to non-automated databases (although traveller queries are inconsistent between ports). Without the benefit of accurate advance data, the already acute need for enhanced officer training, subject matter specialisation, as well as increased threat and business intelligence support becomes far more pronounced.

The movement of various contraband, drugs, as well as inadmissible people between the Canada and U.S. is well documented. The land traveller stream is exploited to bring illicit goods and inadmissible people into Canada through the POEs.

#### Top Risks:

- Drugs
- Prohibited Firearms
- Inadmissible Foreign Nationals

**Drugs.** Although the amounts of drugs seized are generally small relative to quantities smuggled in cargo streams, the likelihood of infractions is high. In 2011/12, there were nearly 2,000 drug-related seizures. Seizures of personal-sized quantities of marihuana prevail, but higher impact drugs such as cocaine and heroin continue to be seized in the land traveller stream relatively unabated. For example, a recent examination at the port of Pigeon River in the Northern Ontario Region (NOR) resulted in the seizure of 14 kilograms of cocaine and 1 kilogram of heroin.

Other

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controlled drugs, such as prescription medicines, health supplements and various iterations of synthetic marihuana are frequently made in this stream as well.

**Prohibited Firearms.** In 2011/12, CBSA officers seized over 350 firearms at the land border, 20 percent of which were handguns. Handguns are easy to conceal in private vehicles and are a highly desirable commodity for criminal groups. Firearm possession and acquisition laws between the U.S. and Canada differ dramatically. The US firearms market is a draw for Canadian residents seeking to purchase prohibited weapons (both legally and illegally) to bring back into Canada. U.S. citizens entering or transiting Canada (en route to Alaska, for example) are also routinely found to be in possession of prohibited firearms.

**Inadmissible Foreign Nationals.** Identity requirements at the land border tend to be less rigid for entry into Canada compared to the air mode, where passengers are generally required by carriers to hold a passport for international travel. There is no opportunity to screen or pre-screen travellers in advance of their arrival,

knowledge varies widely between ports, The level of immigration  
volumes have increased over the last three years, following a dip in 2009. There is therefore a high likelihood that the land border is being exploited by individuals and groups of people who are inadmissible to Canada pursuant to the IRPA. Land border traveller

## Vulnerabilities

**Infrastructure & Tools.** The top 10 busiest land border ports process nearly 60 percent of all land travellers. There are 42 land border ports that process fewer than 50,000 travellers per year. In most cases, the infrastructure and availability of tools at a port correlate with volumes. High volume ports have better (or plans to improve) infrastructure and more detection equipment available.

The lack of infrastructure at many ports can also make cases difficult.

In many cases, this technique ultimately allows many inadmissible people to successfully enter Canada.

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Volume Management.

**Training & Subject Matter Expertise.** Despite national and regional efforts to cross-train BSOs in immigration matters, officers at ports have little opportunity to develop subject matter expertise. Officers may not have sufficient experience to process more complex immigration cases, (whether as a result of inadmissibility or the need to facilitate, for example through the issuance of work permits) do not have access to subject matter expertise. Failure to make appropriate decisions at a POE can result in an increased workload for inland enforcement offices.

Similarly, training and support for the FPA program at land border POEs is lacking. Officers do not have sufficient expertise to identify and process FPA issues effectively.

**Hours of Operation.** Many low volume ports have limited hours of operation.

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### 3.4 National Land: Highway Commercial Stream

The United States is Canada's largest trading partner. In 2010, bilateral trade between the United States and Canada was close to CAD \$645 billion, with more than CAD \$1.7 billion worth of goods and services crossing the border each day.<sup>19</sup> More trade flows between Windsor, Ontario and Detroit, Michigan than any other border crossing in the world, and trucks carry approximately 80 percent of Canada's trade with the U.S. It is estimated that one truck crosses the Canada – U.S. border almost every 2 seconds.<sup>20</sup>

The land commercial stream accounts for about 60 percent of all cargo releases across Canada. Ninety percent of land commercial goods are released through one of the 10 busiest ports, generating 97 percent of the revenue in the stream, more than CAD \$4 billion annually. The remaining 10 percent of shipments were released through one of 48 other ports spread across the land border; 26 of these process fewer than 10,000 shipments annually.

The Ambassador Bridge, Blue Water Bridge, Fort Erie and Queenston ports in the Southern Ontario Region (SOR) combined process nearly 60 percent of all land border releases,

In the land commercial stream, enforcement is generally related to commercial non-compliance - specifically undeclared, mis-declared or undervalued goods. There are occasional seizures of prohibited weapons and firearms, as well as tobacco,

Ports that process commercial shipments are not created equal: vulnerabilities identified at many have a direct impact

Despite the economic downturn and the ongoing recovery, many ports have experienced year-over-year increases in commercial volumes, but infrastructure improvements, training, and deployment of detection equipment and other tools have not kept pace. This has resulted in large disparities

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<sup>19</sup> <http://www.canadainternational.gc.ca/can-am/offices-bureaux/welcome-bienvenue.aspx?view=d>

<sup>20</sup> Ibid.

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**Top Risks:**

- Drugs
- FPA

**Drugs.** Drugs are a top risk in the stream, given the numerous opportunities for concealment in a variety of conveyances, the organized crime interests in the cargo trucking industry, and the large volume of cargo shipments transported by land. Historically, multi-kilogram seizures of cocaine have been made from legitimate cargo shipments carrying produce from the southern US and Mexico. Hidden compartments in commercial conveyances are also used by smugglers pushing significant quantities of drugs into Canada.

**FPA.** Huge volumes of food and live animals enter Canada through commercial land shipments each day. The potential impact to the Canadian economy, the farming sector, and the health of Canadians could be devastating should tainted food, foreign invasive species or sick livestock successfully enter Canada.

**Vulnerabilities**

**Infrastructure.** There are significant commercial infrastructure deficiencies that severely hinder enforcement capacity at land border POEs. Many ports, lack adequate facilities for processing and examining commercial goods. At some POEs, the commercial secondary area is offsite, the examination facilities are too small and lack capacity for multiple examinations, or both.

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**Tools.** In the land commercial stream, activity.

in illicit

Detection technology then, and staff trained to deploy it, becomes paramount to success. 10 ports process 90 percent of commercial traffic. This means that, for most other ports, detection equipment is shared across geographic areas. The VACIS is largely viewed as an effective detection tool,

**Training & Subject Matter Expertise.** The commercial in-service course covers all modes (air, marine, land and rail) allowing little opportunity to develop specialized knowledge of a particular mode. As a result, the bulk of commercial training takes the form of on-the-job mentoring. In addition the course was designed over 10 years ago and does not include new tools and innovations, such as Advanced Commercial Information (ACI) and eManifest, which have substantially changed the nature of commercial processing. Subject matter expertise therefore comes from work experience. Officers at ports that

**Hours of Operation.** As a result of low volumes, many land commercial port operations have limited hours of operation.

**Compliance.** Compliance monitoring in the land commercial mode is conducted through the Trade program. These paper-based audits seek to identify potential revenue losses through undervaluation of goods; physical verifications are limited. Non-compliant shippers are given the opportunity to correct errors, make additional payments and self-identify additional erroneous declarations. Other non-compliance data, such as broken or missing seals on in-bond shipments, failure to report to the correct port, and issues surrounding sufferance warehouse security are subject to the AMPS, but this data is not incorporated into Agency analysis to improve overall business intelligence.

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This is not indicative in itself of illicit activity. Companies are likely attempting to avoid warehouse fees and transportation delays. However, the CBSA has no capacity to systematically track this activity and even if identified, AMPs offer little deterrence. There is a high probability that this gap could be exploited by criminal networks seeking to move illicit goods across the border without the risk of an examination.

**Outbound Export Verifications.** Export verifications are managed in an ad-hoc fashion

The design of many ports are not inclusive of the outbound lanes, therefore export controls fall outside of the Customs Controlled Area, and instead are under the authority of municipal or local police forces.

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### 3.5 National Land: Rail Commercial

Rail transport is both an important mode within Canada's transportation system, as well as a key tool of domestic and international trade. 95 percent of rail revenue (about CAD \$10 billion in 2011) is generated by hauling freight. Rail-based international trade totalled over CAD \$100 billion in 2011. 85 percent of this trade occurred with the United States, representing 17 percent of the total value of goods traded between the two nations. Volumes of rail freight have declined in recent years due to the global economic crisis. However, the industry began to show a return to pre-crisis levels in 2011, hauling 313 million tonnes of freight (including 87 million tonnes of imported and exported goods), a 15 percent increase over 2010.

About 30,000 trains entered Canada in the 2011-12 fiscal year, through a network of 23 active rail crossings. The total volume of rail cargo represents about three percent of all cargo releases across Canada. The busiest 10 rail crossings account for 93 percent of the value of commercial exports in the mode. On the other hand, seven of the top 10 import locations, representing 71 percent of import volumes by value, are cleared inland.

Canadian National (CN) and Canadian Pacific (CP) are the two dominant rail players in Canada. Together, they account for 85 percent of rail mode revenues, 75 percent of the industry's tracks, and three-quarters of overall tonnage carried. The two railways are fully integrated into the North American rail system. CN crosses Canada and follows the Mississippi River to the Gulf of Mexico, while CP operates in six provinces and 13 states. The two companies continue to pursue multiple billion-dollar capital investments to improve the efficiency of the rail network, notably through investments in locomotive technology. As a result of recent advances, trains are becoming longer (from 73 cars in 2001 to 92 in 2010) to boost productivity, reduce labour costs and increase fuel savings. As a result, while the number of trains entering Canada may decrease over the coming years, the volume of cargo per train is likely to increase.<sup>22</sup>

Criminal organizations are known to use domestic rail lines to move drugs and currency within Canada.<sup>23</sup> U.S. enforcement actions and intelligence also substantiate the threat in the rail commercial environment.

<sup>22</sup> Material in this chapter sourced from the following, unless otherwise noted: Transport Canada "Transportation in Canada 2011". <http://www.tc.gc.ca/eng/policy/report-aca-anre2011-index-3010.htm>. Rail Cargo Assessment, Strategic Risk Assessment Division, 2012. Also "Summary – Rail Enforcement Programs Site Visits", Contraband Programs – Marine, Rail and Postal, January - May 2006 (Protected A)

<sup>23</sup> See for example "3 Busted After Train Trip", Toronto Sun 2009-06-26.

<http://www.torontosun.com/news/torontoandgta/2009/06/26/9939466-sun.html>

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**Top Risks:**

- Drugs & Contraband
- FPA

**Drugs & Contraband.** While Canadian reporting is limited, US intelligence and enforcement actions demonstrate that cargo rail has been exploited by organized crime to move significant quantities of drugs and contraband, including through internal conspiracies.

**FPA.** Cargo rail shipments pose a high risk for the introduction to Canada of food plant and animal threats. Soil-borne plant and animal pests are readily transmitted through a number of soil-contaminated commodities within rail freight, including livestock, farm and construction equipment, vehicles, granite blocks, boxes, crates and pallets. Of particular concern is the impact on Canadian ecosystems of invasive pests and insects present in the wood packaging material used to facilitate the shipment of goods by rail. Wood packaging material that has not been sufficiently treated to kill pests could enter Canada undetected.

**Vulnerabilities****Infrastructure & Training.**

**Tools.** An MOU between the U.S. Customs and Border Protection (CBP) and the CBSA allows rail VACIS units to be located on Canadian soil because of poor conditions on the U.S. side.

**PROTECTED B//ATI Exempt: S.16, 21 refer****Dependence on Industry & Compliance.**

**Advanced Information & Targeting.** The CBSA's National Rail Unit (NRU) is responsible for the inbound and outbound risk assessment of commercial goods travelling by rail, which is possible due its working relationship with CN and CP rail customer service offices. All are located in Winnipeg.

**National Rail Export Targeting Unit**

The CBSA's International Trade in Arms Regulations (ITAR) unit within the NRU has had considerable success in intercepting stolen vehicles and controlled technologies that were bound for export from Canada. The ITAR team prevents the export of controlled and dual-use technology in contravention of Canadian and international export legislation, and stolen vehicles from Canada. ITAR works closely with the Enforcement and Intelligence Operations Directorate, and CBSA marine enforcement units across Canada to intercept goods of concern at marine ports prior to their departure from Canada. From 2002 to 2010, referrals resulted in an enforcement action and 351 stolen vehicles were intercepted in 2010. The examination of referrals issued by the ITAR team is dependent on marine ports' operational capacity.

The CBSA depends on the rail industry to provide advanced information in order to target inbound rail commercial shipments.

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**Threat Knowledge.**

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### 3.6 National Marine: Traveller Stream

#### Top Risks:

- Drugs
- Human Smuggling
- Non-Report to POE

**Drugs.** Many of the cruise ships that enter Canada in the summer operate in drug source and transit countries in the Caribbean during the winter months.

**Human Smuggling.** CBSA officers process approximately 3 million travellers per year in the marine mode; most are either cruise ship passengers or crew. Some cruise ships can carry up to 6,000 passengers and 2,000 crew and<sup>26</sup>

The relatively low cost of a cruise, as well as the multiple stops en route make it a viable conveyance for human smuggling. For example, in 2005, 47 Chinese irregular migrants boarded cruise ships in the United Kingdom using fraudulent temporary resident visa-exempt South Korean passports and were able to disembark at Halifax undetected.

Caribbean was interdicted attempting to smuggle ten people into Canada (8 of the 10 subsequently claimed refugee status). The captain and another person plead guilty to human smuggling pursuant to the IRPA. A similar incident in 2012 demonstrates that private vessels continue to be exploited to move irregular migrants into Canada.

<sup>26</sup> The use of private pleasure craft to move trafficking quantities of drugs into Canada is best exemplified in the case of John Philip Stirling, a Canadian citizen interdicted by U.S. authorities on three separate occasions while transporting a total of almost 3 tonnes of cocaine and \$6.5 million of marihuana to and from Canada and South America on various sail boats. See for example "Sailor John Stirling Admits Guilt in Cocaine Case – Sort Of". Vancouver Sun, February 27th 2013: <http://blogs.vancouversun.com/2013/02/27/sailor-john-stirling-admits-guilt-in-cocaine-case-sort-of/>

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## Vulnerabilities

**Compliance.** Private and recreational marine vessels destined for Canada are required to self-report to the TRC, with the exception of those that report directly to a CBSA office.<sup>1</sup>

Travellers who choose to comply can be referred by the TRC for further examination.

About percent of TRC callers are referred for examination, and the responsible POEs are notified accordingly. However, examinations are not always possible.

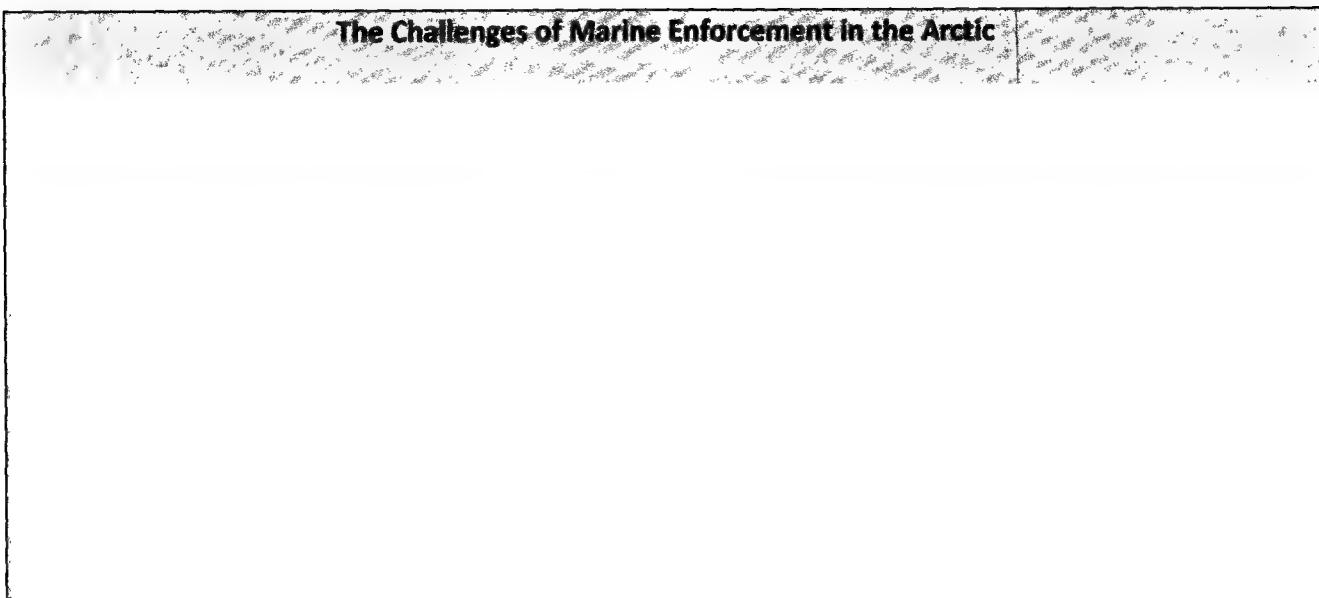
## Cruise Ship Processing.

BSOs will normally process cruise ship passengers on the ship's gangway, in the corridor entering the passenger facility, or on the vessel itself. Travel documents are visually checked,

Passenger manifests are submitted to facilitate passenger and crew examination.

Finally, in an effort to facilitate passenger arrivals to Canada, regulations were amended such that cruise ships are now only required to report at the first point of arrival in Canada. As a result, there are now far fewer points of intervention at which to enforce the CBSA's mandated responsibilities, and many of these locations do not have the means to do so effectively.

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**Internal Conspiracies.** Internal conspiracies are a significant vulnerability in the marine traveller stream, primarily involving drug smuggling on cruise ships.

In addition, the ingrained presence of organized crime groups at Canadian marine ports has been widely observed. In 2007, the Standing Senate Committee on National Security and Defence stated that "[i]t is no secret that Canada's ports are riddled with organized crime".<sup>27</sup> Cruise ship crew, port and dock workers are highly susceptible to recruitment, coercion or bribery by criminals to either perpetrate or ignore border infractions.

**Geographic Area of Responsibility.** Canada has a coast line of 240,000 km.

The RCMP have the mandate to monitor and interdict illicit activity between CBSA ports. However, they often have areas that surround marine reporting sites, making follow-up efforts on reports of non-compliance of the Customs Act and the IRPA. CBSA officers will often report suspicious behavior between the ports to the RCMP, but there are no formal protocols between the two organizations that would allow the CBSA to determine whether referrals were responded to, and the associated results. RCMP coverage of between the ports activities and inconsistent CBSA compliance efforts between-the-port activity, particularly in the marine mode.

### 3.7 National Marine: Commercial Stream

<sup>27</sup> As per <http://www.parl.gc.ca/Content/SEN/Committee/391/defe/rep/Seaports-e.pdf>, accessed 26 February 2013.

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# CBSA ASFC

Marine cargo trade is the backbone of the global economy. Over 80 percent of all merchandise is now transported by sea. The advent of marine container shipping has quadrupled seaborne trade in the past 40 years, driving globalization.<sup>28</sup> Cargo volumes are extremely high and challenging to process. In 2010, Canada was ranked 28 for container port traffic by country. Over half of Canadian marine cargo traffic was processed in Vancouver, the 50<sup>th</sup> busiest port in the world.<sup>29</sup> The remaining cargo arrived at Prince Rupert, Montréal, Saint John and Halifax.

Increasing dependence on maritime transport as a means of trade also makes it one of the most risk prone conveyance methods of conveyance. Marine cargo is also now the primary global facilitator of illicit trade. It plays a major role in the movement of arms and dual-use technology to hostile state and non-state actors. It underpins the trade in illicit drugs, precursor chemicals, tobacco, counterfeit and other contraband goods. Finally, maritime transport is carried out by many dozens of players operating under multiple umbrellas of governance within and between nations, making it an incredibly difficult industry to understand, let alone regulate and enforce.<sup>30</sup>

As a result of the events of 9/11 and the evolving threat environment, numerous security measures have been implemented to improve passenger and cargo screening. Measures introduced in the marine mode, such as advanced data requirements, enhanced targeting, and increased port security have done little to deter criminal activity. A number of vulnerabilities in the marine mode make it difficult to identify, and control high risk shipments. The mode continues to be exploited to move illicit goods into Canada undetected.

## Top Risks:

- Drugs, Contraband & Precursor Chemicals
- Proliferation
- Stolen Vehicles

**Drugs, Contraband & Precursors.** Marine containers pose a high risk for the smuggling of contraband, illegal drugs, cigarettes, and precursor chemicals.

<sup>28</sup>UNCTAD. "Review of Maritime Transport 2008". P 8. As cited in the 2012-13 NBRA.

<sup>29</sup> Containerisation International Yearbook 2012.

<sup>30</sup> Maritime Transport and Destabilizing Commodity Flows. SIPRI Policy Paper number 32. January 2012. As cited in the 2012-13 NBRA.

<sup>31</sup> CBSA Contraband Intelligence Section, Enforcement and Intelligence Operations Directorate, The Illicit Tobacco Market in Canada, 2011, Protected A.

<sup>32</sup> CBSA Strategic Risk Assessment Division, Marine Container Risk Assessment, November 2011, p. 13, Protected A.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

Cargo and container ships are attractive to criminals for their ability to cost-effectively conceal and move large quantities of illicit goods to meet demand in target markets,

Just a few containers have the capacity to meet demand within certain markets such as cocaine for the entire year.

**Proliferation.** Counter-proliferation related export infractions compromise the security of Canada, and the international community. It is highly likely that the marine cargo stream will be used to facilitate the illicit export of controlled goods in contravention of Canadian and international export legislation. Canada is a developer of high technology goods and has almost unlimited access to other western technology. Canada has therefore been targeted by hostile state, non-state, and domestic actors seeking to acquire controlled technology. Global intermodal cargo and containerized shipping represents a highly attractive option for the overt and clandestine movement of these goods. There are far fewer seizures and AMPS issued in the marine commercial stream relative to air cargo, but the value of goods seized in the marine stream is far greater. In 2011/12 the marine stream accounted for 24 percent of seizures, but those seizures accounted for 70 percent of the total value of all counter-proliferation goods seized.

**Stolen Vehicles.** In 2010, the Canadian Criminal Code was amended to prohibit the importation and exportation of stolen vehicles. The CBSA does not record enforcement actions involving stolen vehicles intended for export, but joint force operations have been successful in recovering many stolen vehicles. Exports of stolen vehicles out of the Port of Vancouver are destined for Asia, while Halifax has been used by criminal groups to export to Eastern Europe, and Montreal for the export of stolen vehicle to Europe, South America and Africa.<sup>33</sup> In 2012, a dozen stolen vehicles being exported out of Canada through the port of Halifax were identified as part of a money laundering scheme.

## Vulnerabilities

### Anchored Vessels.

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<sup>33</sup> CBSA Strategic Risk Assessment Division, *Marine Container Risk Assessment*, November 2011, Protected A.

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**Confined Spaces.** CBSA partners in like-minded countries regularly seize drugs from confined spaces within vessels.

Confined spaces can account for approximately 30 to 60 percent of an entire marine vessel.

**Bulk Goods.**

**Ghost Containers.**

**Internal Conspiracies.** The influence of organized crime at Canadian ports is well documented. Waterfront operations employ a large number of non-CBSA employees, and the CBSA has little ability to monitor or control their movements. Transport Canada is responsible for the security clearances of staff working at marine ports.

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<sup>34</sup> A shipboard confined space is defined as an enclosed or partially enclosed space that is not designed or intended for continuous human occupancy except for the purpose of performing work; has restricted means of access and egress, and; may become hazardous to a person entering it due to its design, construction, location or atmosphere, the materials or substances in it. CBSA Marine Centre of Expertise, Confined Space Program: A Vision for the Future, October 2008, p. 2.

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The port terminals are owned by private companies, adding a layer of complexity to the shared responsibility of port security.

**Fishing Vessels.** CBSA grants fishing vessels a seasonal clearance after their initial inward report.<sup>35</sup> This clearance is valid for the duration of the season and it relieves vessels of the requirement to enter only at ports that provide CBSA services. Fishing vessels are also exempted from electronic reporting and they do not have to carry a transmitter that pinpoints their whereabouts. Fishing vessels can move unchallenged across the Canada/U.S. maritime border without further examination after issuance of a seasonal clearance. Fishing vessels pose a risk for the smuggling of contraband such as drugs and firearms. Fishermen know their environment very well and GPS systems render drop off locations for people or illicit goods easy to locate by accomplices.

**Independent Freighters.** Independent freighters are smaller, less-regulated general cargo ships that follow no structured shipping schedule, and offload at smaller marine ports. These vessels typically sit at anchor for extended periods of time and are in a position to meet with other vessels.

**Advanced Information & Targeting.** Given the high volume of marine containers processed by the CBSA each year, a targeting program for identifying high risk containers for examination is a best practice.

### **Threat Knowledge.**

examination of marine cargo relies heavily on officers' judgment,<sup>36</sup> particularly in the interpretation of indicators.

<sup>35</sup> ie. fishing vessels operating without bonded stores.

<sup>36</sup> As per [http://cbsa-asfc.gc.ca/agency-agence/reports-rapports/ae-ve/2009/exam-eng.html#fn\\_34](http://cbsa-asfc.gc.ca/agency-agence/reports-rapports/ae-ve/2009/exam-eng.html#fn_34), accessed 27 February 2013.

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## National Postal Stream

The CBSA processes international mail at three International Mail Processing Centres (IMPCs), operated by Canada Post, located in Montréal, Mississauga and Vancouver. In 2011-2012, almost 45 million parcels and letters were presented at primary and over 280,000 mail items were opened at secondary. Postal revenue was about CAD \$64 million, or 0.25 percent of all revenue collected by the CBSA. The same year, almost 6,500 seizures were completed in all three IMPC facilities for a total value for duty (VFD) of just under CAD \$30 million.

### Top Risks:

- Drugs
- FPA
- Proliferation
- Fraudulent Identity Documents
- Prohibited Firearms

**Drugs.** In 2011-2012, officers made over 5,000 drug seizures worth close to CAD \$29 million. Steroids, khat, other controlled drugs, marihuana, and diazepam (valium) are the most popular types of drugs encountered in the postal mode. Significant quantities of drugs enter and exit Canada through the postal system in small quantities that are difficult to identify without the use of detection tools.

**FPA.** In 2011-2012, officers referred almost 5,000 FPA interceptions to CFIA. Most consisted of meat products from overseas. The potential impact to the health of Canadians could be severe should tainted food successfully enter Canada.

**Proliferation.** Controlled goods and dual-use technology continues to be smuggled out of Canada via the postal stream in contravention of Canadian and international export legislation. The EIOD and partner agencies assess that proliferation networks

are active and abundant in Canada

**Fraudulent Identity Documents.** Large quantities of fraudulent identity documents are successfully arriving in Canada without detection by blending into the sheer volume of legitimate international

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mail. These documents facilitate all manner of illicit criminal activity from immigration fraud to identity theft.

officers referred 1,700 identity documents for verification, resulting in 179 seizures in 2011-12.

**Prohibited Firearms.**

In 2011-2012, officers seized 52 firearms (all classifications), firearm parts, ammunition and prohibited devices.

**Vulnerabilities****Tools.**

**Infrastructure.** Current postal facilities are several decades old and are no longer responsive to volume demands or enforcement requirements. Primary examination at some IMPCs takes place in different areas (or floors) of the postal facilities and away from secondary examination areas.

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### 3.8 National Courier Low Value Shipment (CLVS) Stream

In 2011-2012, the CBSA processed approximately 35 million CLVS. Approximately 20 million CLVS enter by air, while the remainder enter by land. Approximately 5 percent of the CLVS arriving by land originate from another country than the U.S. Land-based CLVS present a number of risks, but the CLVS arriving by air originate from far more diverse locales, and represent a far broader range of risks to Canada.

#### Top Risks:

- Drugs
- Fraudulent documents
- FPA (Pathogens)
- Firearms
- Proliferation

**Drugs.** The CLVS stream is regularly exploited for drug smuggling.

In 2011-2012, CBSA officers made over 1,000 drug seizures in the stream (185 of which weighed over 1 kilogram), worth an estimated street value of CAD \$24 million.

**Fraudulent Documents.** The importation of fraudulent identity documents is a common occurrence in the CLVS stream. Documents include passports, visas, birth certificates, university degrees, and any other documentation that could be used by individuals to misrepresent their identity. Fraudulent documents facilitate all manner of illicit criminal activity from immigration fraud to identity theft.

**FPA (Pathogens).** Inadmissible plant and animal pathogens are being improperly imported through CLVS. Pathogens are disease-causing infectious substances that include such deadly organisms as smallpox, Ebola, and cholera. They have the potential to cause severe damage to the environment and the health of Canadians. Pathogens and the toxins they produce are regularly imported into Canada, but their entry requires permits issued by Health Canada, Canadian Food Inspection Agency (CFIA) and OGD inspections in many instances, which makes them ineligible for transmission by CLVS. Regardless, previous CBSA studies have found that a large number of plant and animal pathogens are being cleared through the CLVS stream. Only 33 percent of the pathogen imports reviewed included the proper permits. It is therefore highly likely that pathogens are improperly entering Canada in this stream.

**Prohibited Firearms.** Due to Canada's proximity to the U.S., most firearms that end up in the Canadian criminal market are generally believed to be smuggled in the land traveller stream. However, in 2011-2012 a restricted firearm was seized, having been disassembled and sent in multiple CLVSs.

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**Proliferation.** Controlled goods and dual-use technology continues to be smuggled out of Canada via the postal stream in contravention of Canadian and international export legislation. The EIOD and partner agencies assess that proliferation networks  
are active and abundant in Canada

## Vulnerabilities

**Advanced Information and Targeting:** In 2011-2012, the CLVS stream processed approximately 37 million courier parcels; 90 percent were LVS.

**Dependence on Industry.** Currently, officers have a very limited window of time to review the CRL

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<sup>37</sup> In January 2012, the CLVS threshold was increased from \$1,600 CAD to \$2,500 CAD

<sup>38</sup> CRL is a manifest of all the LVS parcels arriving on a conveyance

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**Compliance.**

Goods subject to enforcement actions are removed from the Cargo/Release list by way of a form (Y-50, Reject Document Control)

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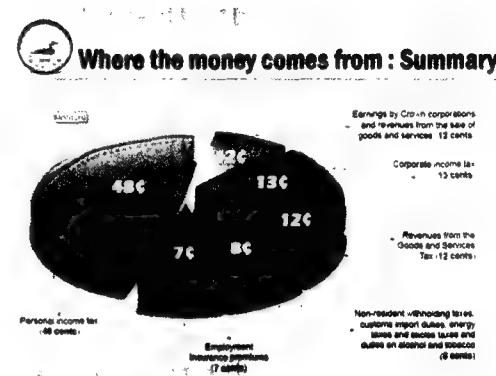
### 3.9 National Trade Program Risks

Risk is defined as the relationship between the likelihood of an event and the impact that it may have. The majority of revenue collected is generated from legitimate declarations of casual and commercial goods and the amount owing in duties and taxes is assessed and collected. Non-compliance exists when goods are mis-declared, not declared or undervalued. The role of a Border Services Officer is to enforce revenue collection under a variety of Acts, including the *Customs Act*, the *Customs Tariff*, the *Excise Tax Act*, the *GST Act* or under agreements with the provinces. If the Agency does not collect duties, taxes, or monetary penalties, revenue is lost.

The CBSA collected approximately CAD \$18.4 billion in FY 2010-2011.<sup>39</sup> Of the traveller and commercial streams, the commercial stream represented 98 percent of the revenue collected or roughly CAD \$18 billion. This is a three percent increase over the previous year, but it is nearly CAD \$2 billion short of a five-year average and CAD \$5 billion short of 2006/2007 totals. Nearly all of this decrease is in the commercial steam, correlating with the 2008 economic crisis. The vast majority of commercial revenue comes from collection of the GST and HST (CAD \$14.5 billion), followed by import duties (CAD \$3.4 billion). The modal share of collections is: Air (39 percent), Land (24 percent), Marine (23 percent), and Inland (14 percent).

International trade drives revenue collection in the commercial stream, and it can be presumed that the majority of businesses do not want to risk the penalties for non-compliance. Although there are instances where firms have used that assumption to exploit the process, this is partially mitigated by the post-import verification process and the Criminal Investigations Program, which review and collect any owed revenues. However, the sheer size of commercial stream revenue collection makes any level of non-compliance costly to Canadians.

In the traveller stream, the GST and HST, along with import duties, account for three quarters of the revenue collected, while port seizures only account for approximately five percent of revenue from travellers, or 0.05 percent of all revenues. The traveller stream represents only one percent of all revenues collected, but is extremely costly to administer, as collection takes place at the POE, tying up resources that would, arguably, be better used in enforcement roles. In FY 2010-2011, the CBSA collected seven percent of total government revenues.



source: <http://www.fin.gc.ca/tax-impost/2011-2011-eng.pdf>

<sup>39</sup> All figures: CMRS Corporate Services, Revenue Codes Cube.

<sup>40</sup> CBSA Internal email, "Trade Stats", February 6, 2013

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**CBSA ASFC**

**2013-14  
NATIONAL BORDER RISK  
ASSESSMENT**

**PART II:**

**REGIONAL FINDINGS**

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## 4 Part II: Regional Findings by Mode and Stream

### 4.1 Introduction

Part II of the 2013-14 NBRA is divided by chapter into the CBSA's seven operational regions. Each chapter identifies the top risks by mode and stream and illustrates how risk manifests at the regional or port level. The regional findings were aggregated to form the NBRA National Findings. Vulnerabilities identified across multiple regions and modes are largely captured in the National Findings, whereas the regional chapters serve to complement the national picture by recognizing regional or port specific problems. For example, the types of border infractions and the associated vulnerabilities identified in the rail, CLVS, and postal modes were so similar across all regions that the findings apply nationally, and assessments do not appear by Region. Furthermore, in some cases, a mode, or particular risk is not represented in the Regional Findings because there was insufficient information available to assess.

The regional chapters demonstrate two important findings:

- The CBSA operating environment differs considerably between regions, even within a single mode. Vulnerabilities arise from, amongst other issues, geography, remoteness, resourcing, and infrastructure dependencies. Many national policies and procedures can potentially exacerbate risk when local conditions are not considered;
- Regions manage their operational challenges often in the absence of national guidance. As a result, regionally developed solutions demonstrate the potential for the CBSA to learn from and apply "best practices" across other regions. Similarly, certain regions or local operations have developed specific expertise as a result of their operating environment, local partnerships, relations with industry, and this expertise needs to be retained and shared across the CBSA. For example marine vessel processing in Canada's North varies substantially across the responsible regions, shared between the Pacific, Prairie, Northern Ontario, and to a lesser extent Quebec regions. This has led to a divergence of operating procedures between Eastern and Western approaches into the Canadian Archipelago.

Part II of the NBRA was prepared in order to support the CBSA's operational regions' enforcement planning activities. However, the findings will also serve to provide an additional level of granularity to inform the Programs and Operations Branch at headquarters as they develop new risk mitigation strategies and program initiatives.



## 4.2 Pacific Region

The CBSA's western most region in Canada, Pacific (PAC) Region, comprises the province of British Columbia and the Yukon Territory. Together, they represent a vast geographic area of approximately 1,419,126 km<sup>2</sup>. PAC is bordered by forests and mostly uninhabited permafrost to the north; by the Rocky Mountains to the east; by the Pacific Ocean to the west; and by Washington, Idaho and Montana to the south. The Cascade Mountains meet the Rocky Mountains at the small but arable delta of the Fraser River in the south west of the region. Most of British Columbia's 4.4 million people live within this south-western corner of the province, called the Lower Mainland, which includes the city of Vancouver.

The PAC Region is organized into five districts that mirror the region's natural borders, its population concentrations, and its major transportation corridors. The vast and sparsely inhabited West Coast and Yukon District has eight main CBSA offices and over 100 service locations situated along the 2,477 km northern border between the Yukon and Alaska, and 27,000 km of Pacific coastline, excluding the Port of Vancouver. The Pacific Highway District, which runs along the 49<sup>th</sup> parallel, has seven offices and six service locations and processed over 14 million travellers in 2011-12.<sup>41</sup> The mountainous and less accessible Okanagan Kootenay District has 16 offices and 12 service locations. The Metro Vancouver District Office and its numerous waterfront and warehouse operations cover the Fraser River area, which includes the Port of Vancouver. Finally, the Vancouver International Airport (VIA) District, which processes over four million travellers and 300,000 commercial shipments annually, is responsible for the vast majority of people and goods entering and leaving the Pacific Region by air.<sup>42</sup>

### 4.2.1 PAC Air Traveller Stream

PAC region processes approximately 19 percent of all air travellers entering Canada each year. Vancouver International Airport accounts for 93 percent of all air international travellers entering PAC annually. The remaining seven percent of travellers come through one of the 48 small airports and designated landing ports serviced by the CBSA.

#### Top Risks:

- Inadmissible foreign nationals
- Drugs
- Undeclared currency and POC (inbound and outbound).

<sup>41</sup> As per <https://cbsawikiasfc/pages/viewpage.action?pageId=29232152>, accessed 15 February 2013.

<sup>42</sup> Ibid.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

We assess that the greatest risk at VIA is admission of foreign nationals who misrepresent themselves to enter Canada. VIA is the main gateway connecting Canada to Asia, and the third busiest airport in Canada after Pearson International Airport in Toronto and the Pierre Elliott Trudeau International Airport in Montreal. In 2011/12, 2,520,800 travellers were admitted into Canada through VIA, a slight increase from the previous year.<sup>43</sup> In 2011/12, CBSA denied entry to 2,032 foreign nationals and wrote 1,265 inadmissibility reports, a 34 percent increase over the previous year. Most land border travellers are Canadian and American residents. This is far from the case in the air mode, where most VIA air travellers arrive from Asia but represent almost every nationality, adding a layer of complexity for BSOs examining passengers.

VIA is not only a conduit for the entry of illicit drugs into Canada; it is also a transhipment point for drugs bound for Asia, particularly Australia, Japan and South Korea. Organized crime groups have developed ties to international crime groups to the extent that local criminals with chemical expertise are sent to Asia to share their expertise. Drugs such as cocaine and methamphetamine are a major outbound concern while opium and heroin originating from Pakistan, India and Iran represent a higher inbound risk. In 2011/12, there were 366 air traveller drug seizures; these tended to be smaller in size compared to other modes such as land cargo, probably because the drugs were concealed on individuals. Drug swallowing is not a new concealment method.

Currency and Proceeds of Crime (POC) is an important risk in the air traveller stream. Officers at VIA highly praised the outbound currency program for its enforcement results and the opportunity it provided to capture intelligence leading to further enforcement actions.

## **Vulnerabilities**

**Voluntary Compliance Programs.** We assess that the Telephone Reporting Centre (TRC) Air program in PAC is highly vulnerable to exploitation. The CBSA receives about 30,000 TRC calls from air travellers entering Canada at 48 small and remote designated airports in British Columbia and the Yukon each year.

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<sup>43</sup> As per <https://cbsawikiasfc/display/pp/Vancouver+International+Airport>, accessed 15 February 2013.

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**Volume Management.** Border wait time (BWT) in combination with DRAP measures affecting staff levels have resulted in reduced capacity for enforcement.

Officers perceive management to favour facilitation over enforcement, resulting in a trust deficit and low morale.

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#### **4.2.2 PAC Air Commercial Stream**

##### **Top Risks:**

- Drugs
- Contraband
- Proliferation

We assess that drugs in the air cargo stream represents a top risk for VIA. In 2011, of the 2.5 million international air cargo shipments that arrived at Canadian airports, 13 percent were destined for Vancouver International Airport and approximately 0.1 percent to Victoria International Airport.<sup>44</sup> The examination rate for cargo goods at VIA in 2011 was \_\_\_\_\_ shipments out of \_\_\_\_\_.

Although the number of drug seizures was small, the volumes seized were significant. We assess that the vulnerabilities listed below are impediments to a more successful resultant rate.

The air cargo mode is well suited to transporting high-value, low-weight licit commodities, as well as illicit goods, such as trafficking quantities of illicit drugs. Air cargo shipments are diverse, and present numerous concealment opportunities. Regular flights connecting to drug source-countries such as Iran, Afghanistan, India, China, Thailand, and Pakistan pose an additional risk factor.

The risk is not entirely driven by exterior threats; internal conspiracies are of concern.

In addition, the air commercial stream (courier and cargo) is the most frequently utilised vector for the export of controlled or sensitive technologies in contravention of Canadian and international export legislation. From 2010-2013 at VIA, \_\_\_\_\_ to the RCMP for Criminal Investigation.

##### **Vulnerabilities**

**Hours of Operation.** The limited hours of operation for air cargo processing has been identified as a top vulnerability in the air cargo stream. The CBSA Air Cargo Operations team at VIA is responsible for processing all inbound commercial shipments within VIA district between 8:00 and 16:30, Monday to Friday. Most commodities shipped in this mode are expensive perishable goods, which may deteriorate rapidly over a period of time or after exposure to adverse temperatures, humidity or other environmental conditions. In the context of international business standards, an overnight delay for examination is usually not considered acceptable; having to wait a weekend even less so. After-hour requests are handled by officers from the traveller side \_\_\_\_\_ Most

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<sup>44</sup> Air Cargo Risk Assessment, CBSA, Risk Management and Foresight Division, January 2013. Protected A.

<sup>45</sup> Project Spawn, RCMP Criminal Intelligence, 2007. Protected A.

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**Internal Conspiracies.** We assess that the air cargo mode is vulnerable to internal conspiracies.

Although the number of seizures linked to internal conspiracies at VIA has been fairly small, a substantial percentage of the overall value of drugs seized at Canadian airports has been linked to internal conspiracies. Between 2005 and 2010, enforcement actions were linked to internal conspiracies in Montreal, Toronto and Vancouver, of which occurred at PIA and at VIA.

**Flying Trucks.** Flying trucks refer to conveyances and goods arriving in the US on air transport documentation and transit to Canada by truck. We assess flying trucks to be an important vulnerability specific to the Vancouver area. Air cargo shipments destined to Vancouver commonly fly to Seattle before being trucked to a VIA sufferance warehouse.

CBSA's expectation is that the truck will proceed directly to the warehouse at VIA, with the cargo secured.

**Infrastructure.** Air cargo is one of the most expensive modes of transportation, consequently it is mostly used to transport high-value, low-weight commodities. A number of these commodities are perishable goods that can easily be damaged by an inspection,

<sup>46</sup> Ibid.

<sup>47</sup> As per [http://atlas/pacr-rpac/dist-div/via/operations/cargo\\_eng.asp](http://atlas/pacr-rpac/dist-div/via/operations/cargo_eng.asp), accessed 15 February 2013.

#### 4.2.3 PAC Land Traveller Stream

##### Top Risks:

- Drugs
- Inadmissible foreign nationals
- Prohibited firearms

Inadmissible foreign nationals are a high risk in the land traveller stream. Human smuggling and contraband networks are exploiting wide expanses of open border in the Pacific Region. Various Latin American, Indian, Korean and Chinese nationals are known to be moving illegally between Canada and the US.



Drugs and precursor chemicals are a significant risk in the land traveller stream. Precursor chemicals are essential in the operations of clandestine drug labs. The lack of controls over precursor chemicals in foreign countries makes it attractive for importation by criminals in Canada.



Firearms are also a significant risk. The vast majority of firearms that are smuggled into Canada come from the United States. The Pacific Region is known as a transportation corridor for US citizens transiting to and from Alaska. Seizures of firearms in the Pacific Region account for approximately 33 percent of all firearm seizures made in Canada.<sup>48</sup>

##### Vulnerabilities

**Volume Management.** Border Wait Time (BWT) has been identified as vulnerability in the highway traveller stream. Whenever a port faces high volumes of travellers, border wait time increases

<sup>48</sup> ICES

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**Small and Remote POEs.** Small and isolated POEs in the Pacific Region are a vulnerability. Many of the offices are manned by two officers per shift.

Some face extreme weather conditions in the winter and difficult summer conditions, adding stress to their enforcement activities.

The remoteness of some of the communities in which land POEs are located adds a health and safety issue in small towns and villages where BSOs are easily identifiable after conducting enforcement activities. To avoid being singled out and harassed by members of their community, BSOs could be inclined to engage in fewer enforcement activities. Finally, familiarity with clients who are neighbours, family or friends can put BSOs in a delicate situation when deciding who should be referred for secondary examination.

**Officer Health & Safety.** Officers at small POEs who conduct enforcement activities on members of their own small community may be vulnerable to the effects of stigmatization. Over time, familiarity between officers and travellers may impact the examinations and referral decisions.

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#### **4.2.4 PAC Land Commercial Stream**

##### **Top Risks:**

- Drugs
- Contraband
- Firearms

PAC processes approximately 13 percent of all Canadian commercial releases. The referral rate for examination is around : percent of these examinations resulting in an enforcement action.

##### **Vulnerabilities**

##### **Infrastructure.**

**Hours of Operation.** Most Land Commercial Operations operate Monday to Friday from 8:00 to 16:00. BSOs in the traveller stream conduct examinations during after-hours.

we assess that limited hours of Commercial Operation is a vulnerability already exploited by land carriers.

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#### 4.2.5 PAC Marine Traveller Stream

##### Top Risks:

- Non-Report to POE
- Prohibited firearms
- Drugs / cocaine
- Human Smuggling

The likelihood of drugs entering Canada through the marine traveller mode is high, particularly in the case of crews from cruise ships. In the Pacific Region, the cruise ship season runs from the end of April to the end of September. Most of the cruise ships servicing the Pacific Region sail through high risk drug ports in the Caribbean before arriving in Canadian waters. Some repositioning of ships also occurs in September, which requires closer examination.

In 2011/12, CBSA officers responsible for the Vancouver and Victoria ports processed over 1.1 million travellers and crew in the marine mode, representing almost half of all marine travellers who entered Canada.<sup>49</sup>

At Vancouver, all travel documents are checked and the identity of the passenger is confirmed before release.

Criminal checks are done manually. Most travellers on board cruise ships are Canadian and American citizens, we assess the likelihood of inadmissible foreign

<sup>49</sup> As per <https://cbsawikiasfc/pages/viewpage.action?pageId=28705077>, accessed 15 February 2013.

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nationals entering Canada undetected in the marine mode to be limited, most cases probably being Americans with DUI infractions.

### **Vulnerabilities**

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<sup>50</sup> As per [http://atlas/ob-dgo/toolkit-outils/pyr-bep/09-10/pg\\_20\\_eng.asp](http://atlas/ob-dgo/toolkit-outils/pyr-bep/09-10/pg_20_eng.asp), accessed 15 February 2013.

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#### 4.2.6 PAC Marine Commercial Stream

##### Top Risks:

- Drugs, contraband and Precursors
- Counter-Proliferation
- Stolen Vehicles

Marine containers pose a high risk for the smuggling of contraband, illegal drugs, cigarettes, and precursor chemicals.

Between 2005 and 2010, approximately 80 percent of CBSA's enforcement actions on precursor chemicals involved marine containers.<sup>52</sup> British Columbia exports millions of dollars of cannabis and synthetic drugs. Controlled and uncontrolled chemical substances used in the manufacture of drugs remain a significant threat for Pacific Region Intelligence. For the past two years, the Pacific region came second after GTA for drug enforcement, with 21 percent of all drug seizures.<sup>53</sup>

Counter-proliferation related export infractions compromise the security of Canada, and the international community. There is a high risk that the marine cargo stream will be used to facilitate the illicit export of controlled goods in contravention of Canadian and international export legislation. Canada is a developer of high technology goods and has almost unlimited access to other western technology. Canada has therefore been targeted by hostile state and non-state actors seeking to acquire controlled technology. Global intermodal cargo and containerized shipping represents a highly attractive option for the overt and clandestine movement of these goods. There are far fewer seizures and AMPS issued in the marine commercial stream relative to air cargo, but the value of goods seized in the marine stream is far greater.

In 2010, the Canadian Criminal Code was amended to prohibit the importation and exportation of stolen vehicles. A further amendment to the Criminal Code in early 2012 grants CBSA the legislative authority to interdict outbound shipments of goods obtained through criminal activity, including stolen vehicles. In 2010, the CBSA recovered a record 1,000 stolen vehicles from export containers in Vancouver, Halifax and Montreal.<sup>54</sup> Joint force operations have had considerable success and have demonstrated that exports of stolen vehicles out of the Port of Vancouver are destined for Asia.

<sup>51</sup> CBSA Contraband Intelligence Section, Enforcement and Intelligence Operations Directorate, The Illicit Tobacco Market in Canada, 2011, Protected A.

<sup>52</sup> CBSA Strategic Risk Assessment Division, Marine Container Risk Assessment, November 2011, p. 13, Protected A.

<sup>53</sup> ICES

<sup>54</sup> 2010 Activity Report – National Rail Export Targeting Unit, CBSA.

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## Vulnerabilities

**Tools.** The Pacific Region marine mode covers a very large geographic area where BSOs often have to travel long distances to examine the crews and goods of arriving vessels. The Vancouver Port alone offers 57 marine terminals and covers more than 600 kilometers of shoreline.<sup>55</sup>

### Fishing vessels

All vessels in international service are required to proceed without delay to a CBSA office designated for the clearance of vessels and make a full report to the CBSA prior to any persons being allowed to disembark or embark the vessel, or any cargo being discharged. However, fishing vessels operating without bonded stores are granted a seasonal clearance after their initial inward report. This clearance is valid for the duration of the season and it relieves vessels of the requirement to enter only at ports having CBSA services. Fishing vessels are also exempted from electronic reporting; they do not have to carry a location transmitter that allows their location to be tracked. After their first clearance, fishing vessels can move unchallenged across the Canada/US maritime border without further examination for a full season.

**Internal Conspiracies.** Organized Crime groups are known to have infiltrated and corrupted dock employees in the Pacific Region.

We assess that Organized Crime presence at marine terminals in the Pacific Region pose an important risk in the marine commercial stream.

<sup>55</sup> As per <http://www.portmetrovancouver.com/en/about/portoverview.aspx>, accessed 11 February 2013.

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**Hours of Operations.** Metro Vancouver District Waterfront Operations are responsible for processing the passengers of two daily trains coming from the US, at 11:25 hours and 22:45 hours. These commercial rail passengers are considered a risk. Cross-border rail carriers submit API to the CBSA.

Most passengers are Canadian and American citizens. Volumes are as low as 30 passengers in the winter time and up to 250 passengers in the summer season. The overall number of travellers entering the Pacific Region in the commercial rail mode is very modest. Two teams from Marine Cargo are on rotation to meet arriving trains, 1

**Threat Knowledge.** Many enforcement successes in the marine cargo stream are the result of intelligence. There is a need for greater intelligence dissemination to target more effectively high risk containers and vessels.

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## 4.3 Prairie Region

The Prairie region is the largest CBSA area of operations covering almost 40 percent of Canada's geographic area, and the largest segment of the Canada-US border of any region. The AOR includes the provinces of Alberta, Saskatchewan, Manitoba, and operations in the Northwest Territories, including the clearance of seasonal vessel traffic entering the Canadian Northwest Passage in the Arctic. The region is composed of four districts, which oversee operations at 43 POEs covering all modes of traffic. Operations in Winnipeg are also home to the National Rail Targeting Unit, which is responsible for the targeting of all inbound and outbound rail cargo across Canada. Churchill, Manitoba is also home to Canada's only Arctic Sea Port and is staffed seasonally by officers from Winnipeg.

The region is characterised by relatively low volumes of travellers and goods, but is geographically massive, and operationally diverse. This presents some challenges for the Prairie region: the recruitment and retention of officers at small and remote land border crossings in the rural areas, as well as the aging and inadequate infrastructure at the many POE's dotted across the Prairies.

### 4.3.1 Prairie Air Traveller Stream

The Prairie region processed 13 percent of all air travellers from 2006 to 2012 nationally. There are 5 major international airports and 15 small airports in the Prairie region serviced by the CBSA. Calgary, Edmonton, and Winnipeg account for 94 percent of all travellers, 93 percent of examinations, and 88 percent of enforcement actions over the last 6 years. The 15 small airports processed less than 3 percent of travellers in 2012 and accounted for 4 percent of the enforcement actions.

The 15 small airports operating in the Prairie region together only account for 3 percent of travellers and 4 percent of enforcement actions since 2006,

Many of these locations do not operate on a 24/7 basis

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**Top Risks:**

- Drugs
- Inadmissible foreign nationals
- Proceeds of Crime

The majority of Prairie region's international flights are continental, but include flights from US international hubs and direct flights from overseas, as well as sun destinations, some of them known drug source and transit countries. Cocaine, Heroin and Catha Edulis (Khat) are popular drugs in the major urban centres of the Prairies, yet the supply is not domestic. Khat is not a high impact drug like cocaine and heroin, but it supports other OC activities. There have been drug seizures in Winnipeg from 2007 to 2012. Calgary is responsible for 48 percent of the enforcement actions during the same time period, and Edmonton is responsible for 26 percent of the region's customs enforcement, and both interdict narcotics on a regular basis. The importation of Khat is a growing concern in the region. Edmonton and Calgary account for 100 percent of all of the khat seizures since 2007 in the region. We assess that Khat is also entering Winnipeg. Calgary and Edmonton have had increasing numbers of significant sized seizures as a result of a DDS presence.

The region's airports have seen overall increases in the processing of foreign nationals seeking entry as visitors, students, or workers. Conversely, immigration enforcement rates are in decline at some airports. There is a lack of immigration subject matter expertise contributing to the uneven application of immigration enforcement measures.

Operations in Winnipeg transitioned successfully in 2011-12 to a brand new facility, but the move may have had an impact on immigration enforcement. The issuance of IRPA A44 reports is in sharp decline from : in 2011, despite annual increases in foreign national arrivals. In Edmonton, air traveller processing has increased by 248 percent since 2006 and is expected to continue to grow. Edmonton is the Gateway airport to the Canadian oil sands and Fort McMurray. The number of Work Permits has increased from 1,299 in 2003 to 6,464 in 2012. Immigration enforcement has fluctuated from year-to-year, but is increasing steadily. Calgary is the largest airport in the Prairies and is the fourth busiest nationally. It processed 62 percent of the region's air travellers since 2006. Calgary is responsible for the majority of immigration processing in the air mode in the region. 14,707 work permits were issued in Calgary in 2012 (up from 4,363 in 2003), but IRPA A44 reports have been declining since 2008, despite the increased international traffic. Calgary has also been the destination of a few human smuggling operations.

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<sup>56</sup> IOAD Q3 report

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**Canadian Diamonds: Precious and Poorly regulated.**

Depending on the year, Canada is the 3rd or 4th largest producer of rough diamonds in the world, and there are plans to further increase production. Canadian diamonds make an excellent cover for laundering illegitimate blood diamonds and proceeds of crime.

**Vulnerabilities**

**Volume Management.** The number of secondary examinations and enforcement actions against travellers has been in decline over the past few years, while the number of travellers is increasing. Simultaneously, the pressure to maintain service standards such as border wait times has put an incredible strain on the reduced number of resources dedicated to enforcement in the air traveller environment.

**Internal Conspiracies.** Internal Conspiracies challenge to CBSA enforcement operations in the air mode.

pose the greatest

**Tools.** The presence of a Detector Dog Service (DDS) team has two main impacts: deterrence and detection. The deterrence factor of a DDS presence airside is difficult to measure,

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In Calgary, the presence of FPA-focused DDS team is believed to contribute to FPA-related enforcement, which is high relative to the regions other airports.

**Subject Matter Specialisation.** The departure of legacy agriculture officers is contributing to a lack of subject matter expertise in administering the FPA program on the front line. Many officers have received the basic FPA training, but lack the possibility to learn from FPA experts. The CBSA has made significant efforts to cross train officers, particularly in the immigration stream. Despite this, there continues to be a concern that officers are not adequately prepared to identify and process immigration cases,

This is particularly true because the frequency of immigration cases is such that cross trained BSOs are not able to develop the required expertise.

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#### **4.3.2 Prairie Air Commercial Stream**

The Prairie region is responsible for 18 percent of air commercial releases since 2006, but has conducted 25 percent of all air commercial examinations during the same time period. The resultant rate is high:    percent of all examinations resulted in an enforcement action. This demonstrates that

the Prairie region has had relatively few drug seizures in this mode compared to other regions.

##### **Top Risks:**

- Drugs
- Proliferation

The air cargo stream is regularly exploited for drug smuggling, as it offers various concealment opportunities, as well as the capacity to carry bulk quantities of drugs into Canada. Unlike the land mode, air cargo shipments arrive daily from numerous international locations, including source and transit countries for narcotics. Certain narcotics, such as *Catha Edulis* (khat), are most commonly encountered in the air cargo stream as they are perishable and are primarily sourced from European transit countries. The CBSA has seized twice as much khat in 2012 versus 2011,

Drug seizures in the air commercial stream are fewer, but shipments are generally larger, and more valuable. The Prairie region has had relatively few drug seizures in this mode relative to other regions,

The Air Commercial stream (couriers and cargo) is the most frequently vector utilised to export controlled or sensitive technologies in contravention of Canadian and international export legislation.

##### **Vulnerabilities**

**Internal Conspiracies.** The known presence of OC groups in proximity to the Prairies airports as well as the lack of an expanded Customs Control Area airside creates a climate hospitable to internal conspiracies at airports, and along the commercial import and export supply-chain.

##### **Hours of Operation.**

The commercial office only operates during regular business hours, air traveller operations        are responsible for commercial releases during off-hours.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

**CBSA ASFC**

Several officers noted that this is a vulnerability

**PROTECTED B//ATI Exempt: S.16, 21 refer**

### 4.3.3 Prairie Land Traveller Stream

The Prairie region's land frontier spans across three provinces, and accounts for a large segment of Canada's shared land border with the United States. There are 34 POEs, scattered across the landscape with vast gaps in-between, where the border is sometimes divided by a small ditch, and other times a forest.

From 2006 to 2012, the Prairie region processed only 5 percent of the national total of land travellers, but is responsible for 15 percent of the enforcement actions. The traffic volumes at Coutts and Emerson together represent 46 percent of the Prairies Land traveller volumes. Sixteen of the 34 ports processed less than 30,000 travellers in 2012(or 82 travellers a day), while 24 of 34 ports had less than 15 seizures in 2012. Despite the low statistics, cumulatively, the region's small and remote ports process a significant percentage of all Prairie land travellers with far fewer resources and tools at their disposal.

#### Top Risks:

- Prohibited Firearms
- Drugs

There are a number of factors which contribute to the likelihood of undeclared firearms entering Canada in this region. Many American travellers travel with their legitimate firearms through Canada to Alaska. Also, many border U.S. states have lax firearms laws that make it easy for Canadians to buy guns. Residents of Alberta and Saskatchewan can obtain a Montana Driver's licence, which allows them to buy weapons. Intelligence suggests that many Canadian residents attend gun shows in the U.S. and purchase firearms with the intent of bringing them back to Canada. The majority of guns seized in the Prairie region are long-guns, but a recent seizure of 75 firearms (including 48 handguns) from a Florida

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man transiting to Alaska demonstrates the potential risk if the traveller has plans to import the firearms for resale in Canada.

The proportion of seizures in the Prairie region has been growing annually since 2007.

In 2012, 35 percent of firearms seizures occurred in the Prairie region.

Drugs are often encountered at the land border, but intelligence suggests that OC groups are successfully smuggling drugs in between POEs. There are a few well-established and difficult to infiltrate known smuggling organisations that will continue to import cocaine via couriers into Canada.

#### Between the ports: Irregular Migration

There are a large number of foreign nationals from Somalia attempting to enter Canada clandestinely from the US, after being refused refugee protection and being ordered deported. These individuals proceed to make a refugee claim inland, knowing that their claim would be ineligible at the land border because of the Safe Third Country Agreement (STCA). Between September 2010 and September 2011, approximately 50 foreign nationals were intercepted entering or attempting to enter Canada by circumventing the ports of entry in Manitoba. Another 15 were arrested in the first quarter of 2012. In total there have been between 400 and 550 refugee claims made by Somali nationals each year since 2008. 88 percent of those claims are made at an inland office. Between 2008-2010, 22 Somali nationals were apprehended illegally entering Canada from the U.S. by the IBET team in Manitoba.

#### Vulnerabilities

**Volume Management.** The emphasis on maintaining Border Wait Times is contributing to declining enforcement actions in the land traveller stream.<sup>62</sup>

<sup>60</sup> CISC 2010 Firearms Assessment. Protected A

<sup>61</sup> 2010 and 2011 IBET reports. Protected A

<sup>62</sup> Emerson is the busiest land POE in the Prairies, accounting for 28 percent of traveller volumes, 21 percent of exams, and 22 percent of enforcement actions from 2006 to 2012. Seizure numbers have been declining significantly from 356 seizures in 2008, to 38 percent of that in 2012, despite traveller volumes growing by 34 percent over the same time period. The port of Coutts is Alberta's busiest and only 24/7 operation; it accounts for 18 percent of the regions land travellers and 17 percent of the enforcement actions since 2006.



Evidence of illegal crossing between the ports near Estevan, SK

### **Training and Subject Matter Expertise.**

Despite efforts across the country to continue to cross train BSOs in immigration, officers at ports to develop subject matter expertise. Officers sufficient experience to process more complex immigration cases, whether as a result of inadmissibility or the need to facilitate (e.g. work permit) do not have access to subject matter expertise. Failure to make appropriate decisions at a port of entry can result in an increased workload for inland enforcement offices. In more remote locations, there are few inland enforcement officers and they are responsible for large geographic areas

Similarly, there little training or support of the FPA program at land border POEs.

have little opportunity  
may not have

### **Tools.**

Regions land ports operate limited hours,

Finally, most of the Prairie

**Officer Health & Safety.** Officers at small POEs who conduct enforcement activities on members of their own small community may be vulnerable to the effects of stigmatization. Over time, familiarity between officers and travellers may impact the examinations and referral decisions.

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#### 4.3.4 Prairie Land Commercial Stream

The land commercial stream poses a serious risk for border enforcement in the Prairies because of the large volumes of commercial goods arriving from the US and Mexico, and our inability to examine a great deal of the goods at the port of entry. From 2006 to 2012 (inclusive), the Prairie region processed only 14 percent of all national commercial releases, and was equally responsible for 14 percent of the seizures made in this mode/stream. The Prairie Region has 14 ports that clear commercial goods, but Winnipeg, Emerson, Coutts, and North Portal are the four busiest ports, collectively accounting for 93 percent of all commercial processing in the Prairies since 2006, and 73 percent of all seizures.

##### **Top Risks:**

- Drugs
- FPA

The importation of Drugs continue to pose the greatest risk in the land commercial stream,

In the Prairies, there were seizures made in the land commercial stream from 2006 to 2012; they were seized by the Calgary inland office (although they came in through the port of Coutts).<sup>63</sup> in the last 6 years, according to enforcement records.<sup>64</sup>

A significant volume of fresh produce and live animals enters Canada through commercial land shipments. The potential impact to the Canadian economy, the farming sector, or the health of Canadians could be devastating as a result of the introduction of foreign invasive species or sick livestock. There is information collected on FPA-related infractions at the land border, resulting in a situational awareness.

##### **Vulnerabilities**

**Infrastructure.** There are significant disparities in infrastructure and facilities that severely impact enforcement capacity at land border POEs. Many ports, lack adequate on-site facilities for processing and examining truck freight. At some POEs, the cargo secondary area is offsite and/or the examination facilities are too small and lack capacity for examinations.

<sup>63</sup> CAD \$14.5 Million worth of Opium Poppy Pods (7,000 Kg): SIN # PRA2009-0018. Protected A

<sup>64</sup> ICES data only goes back to 2007. It could actually be longer.

PROTECTED B//ATI Exempt: S.16, 21 refer

**Volume Management.** As a result of low volumes, many land commercial port operations have limited hours of business. |

**Tools.** Although the Prairie region has acquired an additional (mobile) VACIS machine, there are officers capable of operating it.

The VACIS is largely viewed as an effective detection tool,

and is generally deployed

VACIS availability is severely limited by the constraints of geography and trained staff availability; most often deployment is a function of resource availability over risk.

**Internal Conspiracies.** Internal Conspiracies will continue to facilitate the smuggling of contraband through the land commercial stream.

*Centreport* which provides a strategic distribution hub of shipments from Europe and Asia across Canada and the US via air, rail, and highway.<sup>65</sup>

#### **Threat Knowledge.**

**Outbound Export Verification Checks.** Export verifications are managed in an ad-hoc fashion

The design of many ports are not inclusive of the outbound lanes, therefore export controls fall outside of the Customs Controlled Area, and instead are under the authority of municipal or local police forces.

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<sup>65</sup> 2012 CISC National Criminal Intelligence Estimate. Protected A

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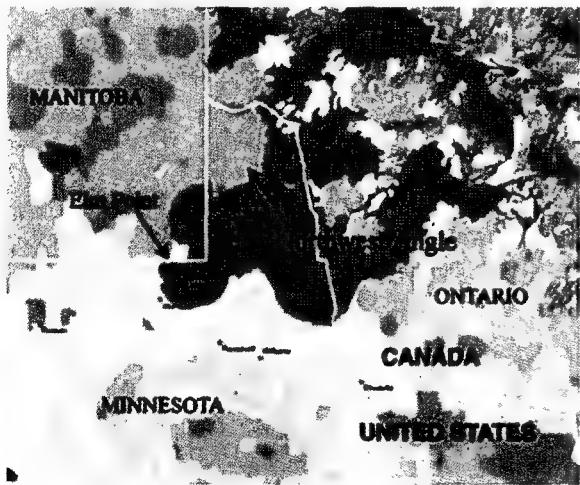
#### 4.3.5 Prairie Marine Traveller Stream

Marine Traveller processing in the Prairies accounts for 1 percent of all national marine travellers, and 1 percent of travellers processed in all modes in the Prairies. Although the volumes are very low, they are increasing on an annual basis due to a growing tourism industry in Northern Canada. There are two very distinct marine traveller areas of operation in the Prairies: the North, and the waterways straddling the Canada-US land border.

##### Top Risks:

- Inadmissible foreign nationals
- Drugs and Contraband
- Weapons and firearms

Marine operations in the NWT also represent some of the most dangerous and uncontrolled environments our officers have to work in. It is not unusual for officers to have to take a float plane, a zodiac across Arctic waters, or a helicopter to board a foreign vessel. In the past, officers have had to spend the night on foreign commercial vessels due to dangerous weather preventing their disembarkation. Although volumes are low, there is a risk of encountering inadmissible foreign nationals, drugs, weapons and firearms, and child pornography when clearing vessels in the NWP. The major mitigating factor for all these risks is the remoteness and isolation of Northern communities, making it unlikely that OC groups will utilise smuggling routes through the NWT in the near future.<sup>67</sup>



The Northwest Angle of Minnesota is the only American land mass north of the 49<sup>th</sup> parallel (with the exception of Alaska). It borders Manitoba entirely by land, yet it is accessible by boat in the summer and snowmobiles in the winter, and is it is a popular destination for Americans from Minnesota. There is no CBSA presence in the area: it is a designated TRC reporting site, with officers being dispatched from Emerson when necessary. The Remote Area Border Crossing Program is intended to facilitate low risk travellers, whether travelling by boat or snowmobile, moving across the border in remote areas. The absence of a regular compliance monitoring program

<sup>66</sup> CBSA stats, NORDREG reporting from Coast Guard, Arctic Ranger stationed on Herschel Island.

<sup>67</sup> According to law enforcement partners, drugs are currently supplied to northern Canada via OCG's in southern Canada.

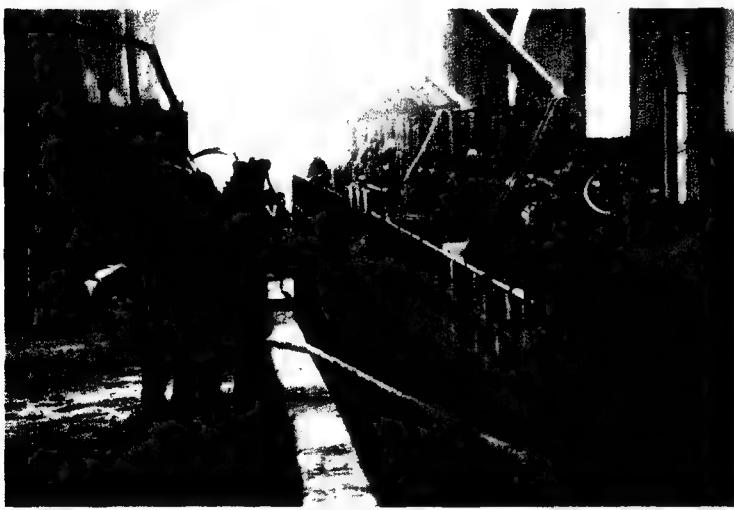
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in the area decreases deterrence.

The area is straddled by the Red Lake Indian Reservation and the Buffalo Point First Nation making the geography, politics, and enforcement concerns very similar to those found in Cornwall, ON and the Akwesasne reserve.

#### **4.3.6 Prairie Marine Commercial Stream**

Churchill is the only commercial marine operation in the Prairies, and is Canada's only Arctic Seaport. The port's main business is exporting Canadian grain to international markets and supplying northern Canadian communities. The port has four deep-sea berths capable of handling Panamax-size vessels for the loading and unloading of grain, bulk commodities, general cargo, and tanker vessels. In the 2012 shipping season (typically July to late October), 15 bulk cargo ships, all of which are trampers<sup>68</sup>, exported 432 thousand metric tonnes of grain to destinations including Italy, Nigeria, Mexico, and Belgium. In 2007, the port also received an incoming shipment of fertilizer from Russia as a result of the 'Arctic Bridge'<sup>69</sup> initiative, which has not grown into fruition. According to local residents, the port also once received imports of vehicles from Asia which were transferred to southern Canada via the rail line, which today serves to deliver grain to the Port. The rail line and the Port are owned by the American company OmniTRAX, which is aggressively pursuing expansion efforts at the Port.



There are major vulnerabilities associated with the remote and unsupported work environment, but the risks in this stream are largely mitigated by the low volume of vessels and travellers, and the isolation of the community. It is not currently seen as a viable smuggling route because the port primarily exports, rather than imports commodities. Local contacts believe that Churchill's drug demand is met via OC groups in Winnipeg and arrives by

<sup>68</sup> Tramper describes a vessel that has no fixed routing or itinerary and is available on short notice to load cargo from any port to any port. Next port of call is often chosen based on geographic location (different vessels, different crews), as opposed to Liner Cargo vessel which has a fixed port rotation and schedule (same vessel, same crew repeatedly).

<sup>69</sup> The Arctic Sea Bridge was a proposed seasonal shipping route linking the ports of Murmansk, Russia to Churchill, Manitoba.

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domestic air where CBSA has no jurisdiction.

There are no significant risks currently in this stream. From 2007 to 2013, there is one enforcement action on record resulting in the seizure of a switchblade off of a crew member. Given the nature of international commercial vessel crews, there is a risk that the CBSA will encounter prohibited weapons and firearms, child pornography or other prohibited material, and the occasional inadmissible foreign national. In 2007 two Turkish nationals deserted the vessel and tried to take the train to Winnipeg, but diligent employees at the train station alerted the RCMP. Although the officers in Churchill are primarily responsible for marine commercial clearances, they are the sole CBSA presence in town and have had to assume extra-ordinary responsibilities, including following-up on possible immigration issues such as foreign nationals working without a permit.

The current small volumes at Churchill significantly lower the risk. However, there are significant operational vulnerabilities in the current environment that would elevate the risks if the volumes of vessels increased, or should the port begin to import international cargo.

The Port of Churchill is normally staffed by two officers at a time, on a rotational basis from the Winnipeg commercial office.

Officers commented on encountering immigration-related issues in Churchill and Inuvik

Officers also pointed out the need to have an inland enforcement presence here next season,

There are significant OSH issues in the Marine mode, which are compounded by the unsupported and remote environment of Churchill. Furthermore, officers working in Churchill are not armed. The CBSA has a strong relationship with the local RCMP detachment and Members are willing to assist the Agency where necessary, but they may not always available.

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<sup>71</sup> During a site visit to Churchill, a vessel was cleared where the Captain admitted that last time his vessel went to the US, the CBP spent the day on his vessel searching everything and talking to everyone, but they also brought 16 officers and two dogs on board.

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#### 4.3.7 Prairie Emerging Risks

In May 2012, CBSA signed an agreement with the Fort McMurray Airport allowing for international flights. As of December 2012, CBSA commenced processing a Charter flight from Fort McMurray to Mexico, but the airport plans on expanding international flights in the coming years. The airport is not

Planned natural resource projects across the prairies and the NWT will create thousands of jobs, which will probably also attract OC groups to expand into rural communities. The Mackenzie Gas Project was granted federal approval in March 2012; Saskatchewan is investing CAD \$50 billion in the mining industry over the next 20 years. The gradual increase in economic activity in the natural resource sector, especially in northern Canada will increase the need for CBSA inland investigations and enforcement.

The Northwest Passage is experiencing annual increases of marine traffic in the form of tourism and trade. Longer ice-free summers have translated into longer and safer marine navigation seasons across the Arctic. As volumes of vessels and travellers continue to grow, the CBSA will be forced to re-examine the current cost-recovery clearance process of vessels in the North.

Saskatchewan's Global Transportation Hub (GTH) development is located outside the city of Regina on the Canadian Pacific (CP) mainline and sits between two major highway systems: Highway 1 running east-to-west, and highway 11 running north to Saskatoon. The GCH will provide rail access to all Canadian Ports, Gulf-Coast Ports and mid-western American transhipment points, and will likely increase the movement of commercial goods to and from Canada within the Prairies.

Winnipeg's CentrePort expansion was approved in 2012. The CentrePort Canada Way (CCW), a 10-Km, high-speed expressway will run through Manitoba's inland port, connecting it to the province's major trading corridors in North America. This increase the likelihood of internal conspiracies.

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<sup>72</sup> Fort McMurray Airport Threat and Risk Assessment Amendment. November 2012.Prairie Region Security. Prot. B.

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#### 4.4 Northern Ontario Region

The Northern Ontario Region (NOR) is the second largest administrative region in the CBSA and covers almost 3 million square km. The boundaries stretch from the outskirts of the Greater Toronto Area Region, east along the Quebec border to the Arctic Circle, and west to the Manitoba border. It includes the waterways of Lake Superior and the St. Lawrence and a number of inland offices. The region is divided into 3 districts, Northwestern Ontario, Ottawa and the St. Lawrence and covers all modes including 7 highway crossings, 2 rail, more than 100 marine reporting sites, 1 ferry crossing and more than 25 airports and air reporting sites.

The extensive waterways in the region, both along the St. Lawrence and in the Northwestern District have a long tradition of smuggling illicit goods and inadmissible people between the U.S. and Canada. Cornwall Island and the Akwesasne Reserve located along the St. Lawrence are a unique law enforcement challenge. Criminal networks operating in and around Cornwall continue to be one of biggest threats in the Region. Other criminal networks operate across the region. Recent seizures demonstrate that even lower volume ports represent a draw for criminal organizations seeking to move illicit goods and inadmissible people across the border. Criminal actors will exploit ports where there is a high probability of success.

NOR's vast size and sparse population presents unique challenges. Programs, such as the Remote Access Border Crossing (RABC), facilitate low risk travellers moving across the border in remote areas (by boat or snow machine in winter).

#### 4.4.1 NOR Air Traveller Stream

## Top Risks:

- Inadmissible foreign nationals
  - Drugs

MacDonald-Cartier International Airport (MCIA) in Ottawa is by far the largest and busiest of the airports in the NOR. It processes just under 700,000 passengers annually, representing roughly 2.5 percent of all the air passengers across Canada. The majority of the flights at MCIA are cross border. Two international flights arrive weekly from Frankfurt and London, as do a number of seasonal charter flights. Air traffic at the smaller airports in the region (Thunder Bay, Sault Ste. Marie, Sudbury and North Bay) largely consists of seasonal charter flights to sun destinations and private aircraft. Thunder Bay anticipates a scheduled flight from Chicago to begin in early 2013.

The expansion of sun destination charters into smaller markets and the introduction of new cross border routes to small and midsize airports increasingly expose NOR ports to exploitation for the movement of inadmissible foreign nationals and contraband. We assess inadmissible foreign nationals and drugs to be the top risks in the mode.

Refugee claims at MCIA represent less than one percent of all airport claims nationally each year. In 2011, the number of refugee claims at MCIA peaked at 62. Eighty-five percent of the claimants were from temporary resident visa exempt countries. In 2012, there were fewer than half the claimants than the previous year, however, there were double the number of claimants from visa requiring countries, including an undocumented Iranian claimant arriving off a charter flight from Cancun.<sup>73</sup> London and Frankfurt remain important embarkation points for improperly documented arrivals for both MCIA and airports nationally. The increase in improperly documented arrivals in Ottawa may signal a shift that irregular migrants and smuggling networks are testing new routings.

MCIA has IPIL, passport readers and immigration subject matter experts that help to identify irregular migrants. Approximately percent of the BSOs at the port are immigration cross-trained. Efforts are made in scheduling to ensure that each shift has some level of expertise available. On the other hand, the tools and expertise are much more limited.

Twenty-five percent of the seizures at MCIA involve drugs, although this figure dropped in 2012 to under 20 percent. Very little cocaine has been seized coming through the airport. In recent years, gang-related activity driven by the crack cocaine market has increased in Ottawa.<sup>74</sup> Sun destination charters arriving in Ottawa provide an opportunity to move drugs from transit countries into the city.

<sup>73</sup> There are far fewer opportunities in the traveller continuum to intercept visa exempt travellers.

<sup>74</sup> Adam, Mohammed and Meghan Hurley (2012 October 12) "As Ottawa Gang Symposium Approaches, police lay out big picture" Ottawa Citizen

<http://www.ottawacitizen.com/news/Ottawa+gang+symposium+approaches+police+picture/7383899/story.html>

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Sun destination charter companies will likely continue to expand into smaller markets.

In addition, small airports and air reporting sites in the district will potentially become gateways for the mining industry over the next decade resulting in increased volumes and the potential exploitation of routes. The anticipated economic growth of the Ring of Fire (see Emerging Risks section below) and mining development is likely to bring increased interest of organized crime.

this will be further exacerbated through increasing volumes and potential route expansions.

Despite relatively low volumes, airports in NOR provide access to unique and remote markets. The vulnerabilities identified below could be exploited by criminal elements to move contraband and inadmissible people into Canada through the NOR in the air traveller stream.

#### CFB Trenton

The port of entry at Canadian Forces Base (CFB) Trenton processes most large scale military movements of Department of National Defence (DND) personnel and equipment returning from missions abroad. The volumes at CFB Trenton are unpredictable and fluctuate dependent on the Canadian military's participation overseas. As a result, the risks at CFB Trenton are dynamic and shift with the missions. At the peak of the Afghanistan drawdown, military equipment returning covered in soil, as well as wood pallets constructed overseas created logistical challenges on arrival in Canada. Warehouses on the base had to be turned into temporary quarantine sites until the machinery could be cleaned and the pallets destroyed.

#### Vulnerabilities

**Tools.** There are no national standards for the equipment necessary to process international or cross border air travellers. There are gaps in the type and quantity of detection equipment available at each port. MCIA has access to much of the equipment available at higher but has just one

Thunder Bay Airport will soon have IPII installed ahead of a new Chicago flight. Until now, it has operated without, like most other in the region.

<sup>75</sup> Please refer to Annex 6.2: Case Studies: CFB Trenton for further information

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**Training and Subject Matter Expertise.** CBSA has made significant efforts to cross train officers. Despite this, many officers are not adequately prepared to identify and process both from the enforcement perspective and in determining facilitation processes. or other officers may have received cross training,

Local subject matter expertise has diminished as legacy CIC officers retire or leave the port, and there is limited regional or national subject matter expertise available to support a 24/7 operation.

**Targeting.**

**Telephone Reporting Centre.** A number of air traveller reporting sites for private air craft are scattered throughout the region. Over the last five years, there have been enforcement actions against travellers in private aircraft in NOR. More than one third of these involved the

There is in the TRC air program. Often, the identification of aircraft failing to report is made following a referral from partners. Reporting sites are often far away from the responsible port,

There are about 11,000 calls to the TRC from private planes arriving at reporting sites in NOR each year. Roughly one third are reporting at MCIA and 1000 calls each year originate from each of Fort Francis, Iqaluit, Thunder Bay and Kenora airports. Trends in call volumes, such as a sudden in reporting from the are difficult to assess with the limited information available. This could signal a decrease in traveller volumes or an increase in the level of non-compliance at the reporting site. Busier reporting sites tend to be regional airports with a CBSA presence or in close proximity to a port.

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#### 4.4.2 NOR Air Commercial

##### Top Risks:

- Drugs
- Undeclared Currency and Proceeds of Crime
- Counterfeit Goods

The Ottawa District releases roughly 3 percent of the air cargo shipments in Canada. However, volumes of shipments do not describe workload. A shipment could be a small package or multiple cans. Most ports in the region, regardless of mode and stream, indicated that a lack of staff had an impact on their enforcement capacity. This was most apparent at Ottawa Air Cargo. The office is responsible for air cargo processing at Ottawa Airport, courier processing, truck freight, the Ottawa long room, a large number of sufferance warehouses and reporting sites throughout the region, as well as the ports of Iqaluit and Alert in the north. Despite examination rate but a particularly in the courier stream.

Ottawa air cargo has an hit rate for enforcement actions,

##### Vulnerabilities

###### Infrastructure.

Officers often have to travel to a number of different facilities and sufferance warehouses around the region in order to perform exams.

will be integrated into the airport, but, in the meantime,

Eventually, the air cargo facility

**Volume Management.** Many ports have identified a shortage of resources as having an impact on their enforcement capacity. At Ottawa Air Cargo, the wide array of responsibilities, including the processing of arrivals (marine and air) at Iqaluit, and heavy workloads have resulted in a port with high 1 develop and entrench

This severely impacts the ports' capacity to which in turn limits its capacity for enforcement.

###### Tools.

with them to the examination site. This requires significant planning and between the referral and examination

officers must take detection tools,

**Training.** There is limited training for officers working in the air cargo mode. The commercial in-service course was developed 10 years ago. In that time period, a number of significant business innovations, such as ACI and eManifest have been introduced, but the course content has not been updated. The

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course itself is not mode specific and in just 10 days it covers air, highway and marine. BSOs gain little value from the course, so most training comes in the form of on-the-job mentoring.

There are significant volumes of OGD-regulated goods moving through Ottawa Air Cargo. Labelling requirements are often complicated and require substantial OGD support for admissibility decisions.

**Fragile and Perishable Goods.** Ottawa is a known high tech centre. A number of local firms regularly import sensitive technologies that can be easily destroyed just by introducing static. Less experienced officers could be hesitant to open these shipments. In these cases, officers must have strong intelligence, or sufficient knowledge of the local market, specifically known shippers and importers, to make appropriate referral decisions. The lack of formalized training and high staff turnover mean that a limited number of officers would have the experience and confidence in referrals to examine suspect high value shipments.

**Communication.** The exchange of information with partners is often easier than within the CBSA. Stakeholders such as the CFIA, Health Canada and Environment Canada generally respond to requests quickly, and provide training and operational support when required. Conversely, communication within the CBSA is often cumbersome. Officers indicate that the Agency's intranet site, ATLAS, is poorly organized based on constantly changing headquarters structure rather than by operational function. Reference material is often difficult to locate or is out of date. Often officers must search the intranet and paper manuals as well as make phone calls to regional or national headquarters to find answers to operational questions.

When issues arise, such as goods being referred inland that should be examined at FPOA, there is no systematic means to communicate and formally resolve concerns. Challenges with communication can result in important information being missed or misinterpreted, efforts duplicated, and further burdening already strained resources.

**Hours of Operation.** Ottawa Air Cargo operates during regular business hours and on Saturday mornings to clear FedEx shipments. Cargo arriving after hours is cleared from the

While commercial ports are best placed to release shipments, local knowledge and modal expertise are lost when conducted from  Some off-hour examinations, such as  are conducted by MCIA  staff



#### 4.4.3 NOR Land Traveller Stream

##### Top Risks:

- Inadmissible foreign nationals
- Drugs
- Human Smuggling

The Northern Ontario Region has 7 highway crossings, and processes around 8 million travellers annually (roughly 12 percent of the national total). Lansdowne, Cornwall and Sault Ste. Marie consistently have the highest volumes of travellers in the region and combined, these ports process 66 percent of the travellers.

Human smuggling in NOR is more likely to occur between the ports of entry, but accomplices have been identified moving through the ports. Inadmissible foreign nationals seeking entry to Canada are common at NOR POEs. Lansdowne and Sault Ste. Marie each process roughly 2 million travellers per year, on average, but Sault St. Marie records \_\_\_\_\_ foreign nationals crossing the border. This may partially account for \_\_\_\_\_ at the port.

Despite increases in immigration training, flows of foreign nationals to NOR are limited.

When immigration cases do arise, there is often limited support to pursue more complex avenues of enforcement, such as determining the inadmissibility to Canada of foreign nationals according to the IRPA. These cases require the support of Hearing Officers, who, for Thunder Bay and Pigeon River, are located up to 1000 km away in the GTA Region.

The potential for economic growth in the NOR district could trigger increased demand for foreign workers. The complexities of work permits are difficult to decipher even for ports that deal with foreign workers regularly. There is a risk that ports in NOR could admit foreign workers without the appropriate authorization, requiring a response from inland enforcement, who in many parts of the region are few in number and have large geographic areas of responsibility.

There is a high risk of drug smuggling in the land traveller mode in the NOR, despite its low traveller volumes. Pigeon River, for example, processes just under 600,000 travellers per year. The travellers at \_\_\_\_\_ are largely locals cross border shopping, or outdoors enthusiasts travelling to camps in Ontario or Manitoba. Although the port has a number of drug seizures annually, these are usually personal

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quantities of marihuana. Historically, there have been very few seizures of higher impact drugs such as heroin or cocaine. In September 2012, a seizure of 14 kilograms of cocaine and 1.24 kilograms of heroin were seized from a Canadian citizen returning through the US from Mexico.

**Cyber Monday**

Land border ports traditionally brace themselves for the shopping weekend following the American Thanksgiving, referred to as "Black Friday". Extra staff is required to handle returning Canadian shoppers and is often considered a peak "season" unto itself. The Monday following Black Friday is referred to as Cyber Monday, as shoppers increasingly move online. The dramatic increase in online shopping became apparent in Pigeon River on the weekend after Black Friday in 2012. The port was caught off guard by the high volume of traffic as Canadian online shoppers flooded to a US parcel pick up site. The number of travellers exceeded the Black Friday weekend.

**Vulnerabilities**

**Infrastructure.** A number of unique infrastructure issues exist at ports in the NOR. Infrastructure upgrades are planned for some ports, but until they are completed, enforcement at ports will continue to be affected.

Moving the port of Cornwall from the Akwesasne Reserve on Cornwall Island to the mainland has exacerbated many of the enforcement issues that were already present. All Cornwall Island traffic, whether local to the island or arriving from the US, has to pass through the port of entry.

At Fort Francis, the port is located on private property and has a number of infrastructure challenges.

**Between the Ports.** Land border ports in the NOR are surrounded by waterways and low density populations. Illicit activity between the ports is well documented on the St. Lawrence, around Cornwall Island in particular, but other areas in the region are just as susceptible.

The RCMP, who have primary responsibility for policing between the ports, and local detachments of the Ontario Provincial Police cooperate to monitor for illicit activity, such as human smuggling or drug smuggling.

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Recent human smuggling attempts between the ports were intercepted.

The risks at ports of entry and between the ports are closely related. Situational awareness is greatly defined authority to monitor activities occurring between the ports.



View of the U.S. from Canada – looking across the Pigeon River

**Subject Matter Expertise.** Despite immigration cross-training, officers at ports have little opportunity to develop subject matter expertise. Failure to make appropriate decisions at a port of entry can result in an increased workload for inland enforcement offices. There are few inland enforcement officers and they are responsible for large geographic areas.

#### Hours of Operation.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

#### 4.4.4 NOR Land Commercial Stream

**Top Risks:**

- Drugs
- Firearms
- Weapons

NOR processes between 4 and 4.5 percent of the highway commercial shipments in Canada. There are frequent seizures in the land commercial stream, but, over the last 5 years, the majority result from

Significant seizures in the highway commercial stream are more likely to be made at ports with a greater enforcement capacity and greater intelligence support. The absence of seizures in NOR is not indicative of the absence of risk, but instead demonstrates the challenges faced by

Drugs, firearms, weapons and tobacco are assessed to be high risks in the land commercial stream. There are a number of criminal networks seeking to move illicit and contraband goods from the United States into Canada. The volume of shipments and opportunities for concealment of illicit goods amongst legitimate shipments makes the commercial stream an ideal vector for smuggling.

Trade verification is primarily a back office paper process and the :

Without a robust compliance program, the land border can easily be exploited. For example, in November 2012, two in-bond shipments of tobacco entered Canada, (one at POE Lansdowne and another through Quebec) destined for a sufferance warehouse in Quebec and then onwards to Haiti.

The port of Lansdowne is the busiest commercial port in the region, releasing almost 60 percent of the shipments for the region, but each of the land border ports in NOR are designated commercial offices, with the exception of Rainy River. Yet, the number of commercial releases through the Port of Rainy River have substantially increased over the last five years, while the have

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**CBSA ASFC****Vulnerabilities**

Figure 1:Commercial Examination Facilities at Pigeon River

**Infrastructure.** In Rainy River, there is no enclosed examination facility; the secondary area is limited to a canopy. Throughout the rest of the region, commercial examination facilities are small, outdated and impractical for enforcement.

**Tools.** A number of tools and detection technologies are shared throughout the region. Sharing critical kit across vast distances limits

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In addition, the introduction of advanced commercial data in the highway mode means that more shipments are being machine-released and fewer shipments are being referred to sufferance warehouses. For example, Thunder Bay's sole warehouse operator has noticed a significant decline in business since the introduction of electronic data and a commensurate increase of machine-released shipments. The warehouse now, on average, receives \_\_\_\_\_ per day. This may not be enough business for the operator to continue paying for a warehouse licence from CBSA. However, the sufferance warehouse in Thunder Bay is also the de facto offsite examination facility where CBSA commercial port of entry exams can be completed if an off load is required.



The only sufferance warehouse for Thunder Bay and surrounding area.

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#### 4.4.5 NOR Marine Traveller Stream

##### Top Risks:

- Non-Report to a POE
- Drugs
- Human Smuggling

The marine traveller mode in NOR primarily encompasses private boats and small watercraft. There is also a ferry operating between Wolfe Island, Ontario and Cape Vincent, New York, as well as cruise ship operations at Iqaluit. The region is dotted with marinas and other reporting sites providing ample opportunity for travellers to enter Canada away from a designated POE.

Thunder Bay has recently built a small cruise ship terminal in hopes of attracting Great Lakes tourism. To date, there have been no ships, but there are plans for 1-2 ships per season.

It is planned that officers will conduct checks on board the vessel.

Responsibility for marine operations in the region is divided between numerous ports who must balance this workload with other operations in different modes. Geographic areas of responsibility are large

For example, Ottawa Air Cargo is responsible for clearing cruise ships at Iqaluit. In order to fulfill their obligations at Iqaluit, two to four officers must be dispatched from an already busy air cargo POE. In the Northwestern Ontario district, responsibility for waterways in the Lake of the Woods district along the Ontario-Minnesota border is spread between Pigeon River, Fort Francis and Rainy River.

Enforcement statistics are difficult to extract for the marine mode. Often, marine activity along the border is captured under highway reporting modules. Identifying marine traveller infractions from current systems is nearly impossible.

A number of human smuggling rings have been known to use Massena, New York (opposite Cornwall) as a staging ground for irregular migration to Canada. At Pigeon River, migrants were found crossing

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the river within just a few km of the port after their personal belongings were discovered in an accomplice's vehicle that was crossing at the port.

## Vulnerabilities

**Voluntary Reporting Programs.** In 2012, the Telephone Reporting Centre (TRC) received nearly 25,000 calls from marine reporting sites in NOR. This represents on average a 4 percent increase per year from 2008. In 2012, the ' ' ' ' port of ' ' received the second highest number of TRC marine referrals in the region (738). The port with the most TRC referrals was located on the much more populous St. Lawrence.

The highest volume of calls comes from Young's Bay and Cyclone Island in Northwestern Ontario. Combined these two reporting sites represent 3000 calls per year and result in more than 500 referrals to the port of Fort Francis. Cyclone Island is roughly 4 hours from Fort Francis. Referred travellers are unlikely to remain at the site waiting for CBSA. Often the reporting sites themselves are not always in convenient locations for travellers. Two of the sites under Fort Francis' jurisdiction are not accessible for sailboats, houseboats or skiffs in the summer, making compliance difficult.

The design of the TRC program makes enforcement challenging, as only compliant travellers are likely to report. The level of compliance with the program is unknown,

and decisions to proactively check marinas and reporting sites for persons who have failed to report is made at a local level based on available resources.

Most of the land border ports in NOR, as well as the port at CFB Trenton have responsibility for marine reporting sites throughout the region, but the geographic distances for coverage are vast. Officers in the increasingly centralized TRC have little situational awareness of the geographic areas about which they are making referral decisions.

The Northwestern Ontario district also manages the Remote Area Border Crossing (RABC) permit. The permit allows holders to freely cross the border without reporting to the CBSA, providing there are no goods to declare.

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### Marine enforcement in Northern Canada.

Over the last few years there has been an increase in the number of pleasure craft reporting in from Iqaluit,

Passenger lists for vessels rarely match with who is actually on the vessel

The disposal of seized assets often costs more than the asset's value. From the commercial perspective, there is no designated marine port to service the eastern Arctic. Vessels are cleared on a cost-recovery basis by officers from Ottawa. Aside from the health and safety issues involved with boarding a vessel at anchor, CBSA requires transport to the vessel by zodiac or helicopter. The top risks at Iqaluit are assessed to be inadmissible foreign nationals and alcohol and tobacco overages. Prohibited material, such as child pornography is also a top risk for marine crews.

### 4.4.6 NOR Marine Commercial Stream

NOR is responsible for huge portions of the St. Lawrence river, Lake Ontario and Lake Superior. Despite this, there is little attention paid to the marine commercial stream in the region. Commercial traffic often moves between the U.S. and Canada, but officers have reported the occasional arrival of international vessels traversing the St. Lawrence into the Great Lakes.



Marine port at Thunder Bay

In Thunder Bay, the commercial port of Prince Arthur receives an estimated 100 international vessels per year, primarily picking up grain. Although there are a number of officers in the district that are trained to rummage vessels, the primary focus is on the crew.

Although international traffic is limited, growth in the region through the mining industry and suggests that new threats may emerge.

Currently, there is 1

top risks in marine commercial in NOR.

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#### 4.4.7 NOR Emerging Risks

The “Ring of Fire” in Northwestern Ontario and the Mary River Project in Nunavut will require further monitoring over the coming decade. Each has the potential for significant regional economic development, more foreign workers, increased volumes at the nearby ports, and new markets for organized crime.

##### *Ring of Fire (Northwestern Ontario)*

The Ring of Fire is the name given to an area 500 km north of Thunder Bay, in the James Bay lowlands that is identified as one of the most promising mineral development opportunities for Ontario in almost a century.<sup>77</sup> There are roughly 100 mining companies with holdings in the Ring of Fire, but currently just 35 companies are actively exploring, two have proposed opening mines.<sup>78</sup>

The remoteness of the area remains a challenge for mining development; muskeg is difficult to build on, but demand for its abundant chromium, particularly from China, is strong. Development opportunities for other minerals such as copper, nickel and platinum are also being explored in the region.

The future of the Ring of Fire is largely dependent on commodity prices and demand, as well as the quantity and quality of minerals found during exploration. New mines could substantially affect CBSA interests and resourcing requirements for the NOR. Even the exploration phase has the potential to produce small increases in port volumes, more foreign workers and greater demand for private aircraft at remote reporting sites. Full production would result in higher workloads at the ports and inland.

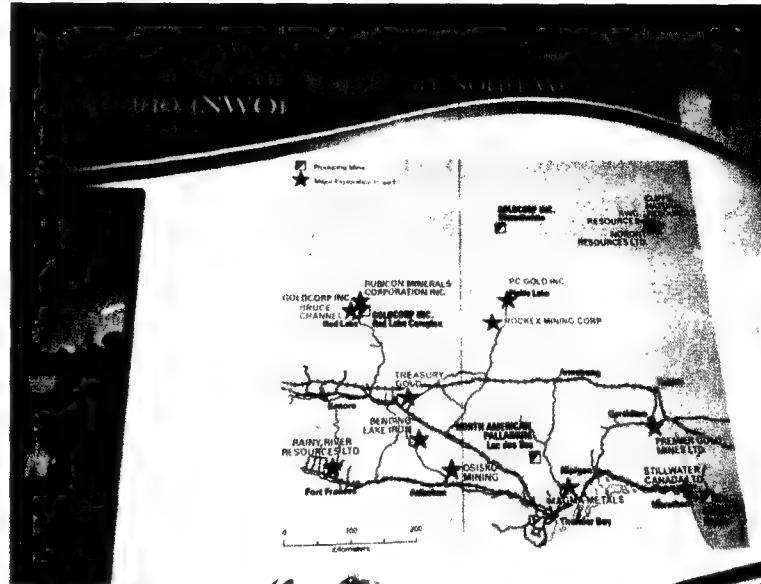
##### *Mary River Project (Nunavut)*

The Baffin Island Mining Company plans to creation of a massive open-pit mine in the Mary River area of North Baffin Island in Nunavut to extract high quality iron ore. The global demand for iron ore, high commodity prices, and new extraction technologies make the project complex, but viable.

To proceed, mine site infrastructure, a road, a 150 km railway and a deep water port at Steensby Inlet must be built to export ore year round using icebreaking freighters. If built, the mine is expected to produce approximately 18 million tons of iron ore each year with operations estimated to last for 21

<sup>77</sup> <http://www.mndm.gov.on.ca/en/ring-fire-secretariat>

<sup>78</sup> <http://www.ctvnews.ca/canada/some-facts-about-northern-ontario-s-ring-of-fire-mining-deposits-1.1090156>



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years. The business plan proposes an export of 10,000 tons of iron ore every 36 hours through Arctic waters to Europe.<sup>79</sup>

Currently, CBSA's only designated port of entry in Nunavut is the Iqaluit Airport; it is approximately 1,000 km away from the Mary River site. Currently, there is no designated marine port of entry in the Arctic. All examinations in Nunavut are coordinated and staffed from Ottawa. CBSA examines vessels (both passenger and transport ships) on a cost recovery basis to the vessel operators in Iqaluit, but not without a number of challenges. Besides the strain on operations to move resources from Ottawa to the north, the CBSA relies heavily on other federal partners (DND, RCMP and Coast Guard) to perform examinations.

More ships entering into the region year-round will strain operations, and create demand for specialized intelligence and tools to detect new threats.

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<sup>79</sup> CBSA Briefing Note, "Canada Border Services Agency Planning Mary River Mine, Nunavut"

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## 4.5 Southern Ontario Region

The Southern Ontario Region (SOR) of the CBSA was created on April 1, 2011. The region is organized into six divisions and districts: Enforcement and Intelligence (E&I), Corporate and Program Services (CPS), Ambassador Bridge Operations, Windsor Tunnel Operations, and the Fort Erie, Niagara Falls, and St. Clair Districts. SOR covers the southern portion of Ontario between Great Lakes Huron, Erie and Ontario. It shares land borders with the States of Michigan and New York and lies across Lake Erie from Ohio and Pennsylvania. Despite its relatively small geographic size, the region is populous. It encompasses the cities of Windsor, Sarnia, London, Fort Erie and Niagara Falls, and their surrounding communities. It is also somewhat of a geographic anomaly, jutting peninsula-like into the US, between Michigan and New York states, serving as a major highway conduit to Toronto, as well as an ideal transit-location for those seeking to expedite travel to and from the US north east and Midwest.

SOR traffic is immense. The region is home to some of the CBSA's busiest border operations, with three major international bridges (two of which process just under half of the trade volumes entering Canada), three medium-sized airports and 19 general aviation airports. The Region has two international railway tunnels, one in Windsor and one in Sarnia, and a railway bridge at Fort Erie that moves some of the highest volumes of rail and intermodal freight to and from Canada. In Niagara Falls, an Amtrak passenger train crosses daily over the Whirlpool Bridge.<sup>80</sup> There are just under 200 marine reporting sites straddling the St. Clair River, Lake Erie and Lake Huron. Several native reserves are located within SOR's boundaries, including on Walpole Island, long a haven for cross border human and contraband smuggling. In addition to these operations, a number of unique services are provided throughout the region, including a dedicated Refugee Processing Unit located at the Peace Bridge to screen refugee applicants, and the Windsor Truck Ferry, which transports predominately hazardous commercial commodities not permitted on the Ambassador Bridge.

In 2010 there were known to be      criminal organizations smuggling people, drugs, guns and currency between      port of entry locations, and      between the port locations in the lower SOR.<sup>81</sup>

### 4.5.1 SOR Air Traveller Stream

#### Top Risks:

- Inadmissible foreign nationals
- Drugs
- Contraband
- Proceeds of Crime

<sup>80</sup> As per [http://atlas/sor-rso/about-sujet/index\\_eng.asp](http://atlas/sor-rso/about-sujet/index_eng.asp) and <http://maps.google.com/>, both accessed 2013-02-04.

<sup>81</sup> Ibid.

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In FY 2011/12, SOR processed approximately 1.5 percent of all air travellers.<sup>82</sup> The main airports by volume in SOR are the Windsor and London International Airports. Four smaller airports, Sarnia, St. Thomas, Pelee Island and Niagara District airports, provide services for small charter aircraft. In addition, there are 14 remote reporting airports located throughout the region. Of all the airports in SOR, only London International Airport offers regularly scheduled international air service- a United Airlines twice daily flight to and from Chicago-O'Hare. Windsor International Airport also sees regular arrivals of private aircraft, primarily ferrying employees of the automobile industry into the region. Sun destination charters have expanded into the SOR. London now offers four weekly flights, and Windsor has two.

Despite relatively low volumes, SOR airports are situated along a key drug and contraband smuggling corridor linking US Midwest and Northeastern hub cities, as well as the Greater Toronto Area. Criminals are likely aware that the CBSA's perceptions of risk, and the commensurate resources to mitigate them, are tied to

As a result, \_\_\_\_\_ with little

or no CBSA presence are likely attractive ports for criminal networks to move drugs and contraband into or across Southern Ontario, and to repatriate the profits of their illicit trade. The expansion of sun destination charters into smaller airports in the SOR exposes ports to exploitation for the movement of drugs from key transit locations such as Mexico and Caribbean countries.

### Vulnerabilities

**Threat Knowledge.** A wide body of open sources, as well as specific partner intelligence, have documented the use of small and charter aircraft by Transnational Organized Crime networks to facilitate cross-border smuggling across North America, particularly but not exclusively for the two-way movement of narcotics.

### Training.

BSOs can process passengers and deal administratively with the arrival of an aircraft

**Advanced Information & Targeting.** The National Targeting Centre (NTC) is now responsible for the targeting of all international flights operating in the SOR.

SOR staff now receive emails,

either in their personal email or through newly established generic email accounts, from the NTC with referrals. This change has improved the CBSA's ability to comply with the associated agreements for the handling of advanced passenger information; however, it has also created a specific second-order vulnerability affecting SOR operational capabilities:

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<sup>82</sup> CMRS data for region only. Individual airports not available except for London.

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*Limited NTC Coverage.* While Windsor and London airports collectively process 8 weekly charter flights to sun destinations,

Additionally, the port and NTC have been able to effectively coordinate targeting activity with District Enforcement Team availability, in order to maximize enforcement presence. The NTC officer in question has also been able to visit the port to observe operations and meet with staff while on personal leave, improving the officer's own awareness of port operations and concerns.

While a possible model for effective NTC-port interactions, the relationship between the port and NTC is highly ad hoc, based on the Targeting Officer's personal connection to London, and may not be representative of interactions between the NTC and other ports or regions. It remains to be seen whether this type of effective working relationship can be systematized for the rest of the SOR's airports.

**Voluntary Compliance Programs.** There are 19 air traveller reporting sites for private aircraft scattered throughout the SOR. The TRC receives about 13 000 calls annually from private planes arriving at reporting sites in SOR. About      percent of TRC calls are subsequently referred for examination each year.

Often the identification of aircraft failing to report is made following a referral from other stakeholders. Over the last five years, there have been [REDACTED] against private aircraft in SOR. Trends in call volumes, such as a sudden sharp decline in referrals (73 percent in 2012) from the [REDACTED] a top regional tourist draw, are difficult to assess

This could signal a decrease in traveller volumes or an increase in the level of non-compliance at the reporting site. Officers may be dispatched from their home ports to meet arriving planes on a needs basis.

At reporting sites where there is no CBSA presence or a low likelihood of being caught, it is likely that travellers will simply not report.

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#### 4.5.2 SOR Land Commercial and Traveller Streams

##### Top Risks:

- Drugs and contraband
- Firearms
- Human smuggling
- Proceeds of Crime
- Food, Plant, and Animal Infractions

SOR is responsible for about 60 percent of national land border releases and 63 percent of the volume of the twenty largest Canadian cargo border crossings. The Ambassador Bridge, Blue Water Bridge, Fort Erie and Queenston ports alone account for almost 40 percent of all commercial releases in all modes.<sup>83</sup> The Ambassador Bridge is the busiest POE along the Canada/US border with more cargo trade than any other border crossing in the world.<sup>84</sup> Volumes are enormous, and are the preeminent risk driver in the mode.

The SOR has seven land crossings and is the busiest region for land border travellers in Canada. During the 2011/12 fiscal year, approximately 30 million travellers were processed through SOR, with the majority travelling through this region to connect to major U.S. cities such as Detroit, Buffalo, and New York. During the 2010/11 fiscal year, approximately 28 million travellers were processed in Southern Ontario, with most crossings occurring at the Fort Erie Peace Bridge.

The threat environment in the land mode is complex. In 2011, criminal groups and individual actors were investigated by the regional Integrated Border Enforcement Team (IBET),

We assess that contraband, human smuggling, and the two-way movement of proceeds of crime are the highest risks in this mode, because of their profit potential in the illicit marketplace, and the ease by which they can be concealed within licit cross-border trade and traveller flows, or moved between the ports. In addition, high volumes of cross border trade increase the likelihood that FPA threats will successfully enter Canada through SOR relative to the other regions.

SOR ports accounted for the largest number of weapons and firearms seized compared to any other region. Thirty-seven percent of restricted firearms and 32 percent of prohibited firearms seized in 2010/11 were intercepted in this region. In addition, a third of all handgun seizures occurred in SOR.<sup>87</sup>

<sup>83</sup> Transport Canada. Transportation in Canada 2010 – addendum, p. A98.

<sup>84</sup> <http://www.publicsafety.gc.ca/cnt/nws/nws-rlss/2011/20110720-eng.aspx>

<sup>85</sup>

<sup>86</sup> Ibid.

<sup>87</sup> Handguns are a subset of 'Prohibited Firearms'.

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The proximity to major cities in the region and the presence of violent street gangs in the Toronto area are a pull factor for both handguns and drugs.

**Outbound: Proceeds of Crime.** There is a risk that land mode ports in SOR will be used to smuggle bulk cash and for trade-based money laundering,

Further, organized crime can exploit the huge volumes of legitimate trade flows to move large sums of money through the international trade system by misrepresenting the value of goods imported and exported from the SOR.

### **Vulnerabilities**

The following vulnerabilities were observed throughout the region and compound already high levels of risk generated by traffic volumes.

**Volume Management.** Extremely high volumes in the SOR land mode drive risk probabilities, exacerbate traffic facilitation pressures, and create severe morale issues amongst front line staff in SOR.

In SOR, volume problems compound during peak travel “seasons”, which include the summer vacation period, fall hunting season, Black Friday and Cyber Monday in November (see text box), and the

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December and New Year's holiday travel period. More frequently, larger ports in SOR must contend with spikes of Canadian residents returning from major concerts and sporting events in US border cities.

#### Different Examinations Types, Different Results

Land border ports brace themselves on the weekend following the US Thanksgiving holiday for Canadian "Black Friday" and "Cyber Monday" deal hunters returning from US shopping excursions. The weekend has become a peak volume "season" unto itself. For the 2012 weekend, Blue Water POE staff were instructed to focus efforts as much as possible on facilitation, in contrast to 2011 when more selective examinations were pursued. The results between the two years were strikingly different. While the total value for duty amounts were almost identical, at around CAD \$9000, seizures in 2012 were mainly for undeclared or undervalued consumer goods. In 2011 on the other hand, one prohibited firearm, marihuana, methadrone (bath salts), salvia divinorum, and several prohibited weapons were seized.

**Training.** A number of training-related vulnerabilities spanning the entire spectrum of the CBSA mandate were identified as risk drivers in the land mode.

The commercial in-service course was developed 10 years ago. Material is outdated and general. As a result, the bulk of commercial training in SOR takes the form of on-the-job mentoring. The lack of up-to-date, mode specific formalized training poses a risk considering the increasing volumes of commercial traffic arriving in SOR.

On immigration, the SOR generally has made significant efforts to train officers. Officers returning from the six week immigration cross-training program complement their training with an additional two weeks of on-the-job mentoring with more experienced officers. In addition, every 6 months, 20 percent of officers rotate between traffic and commercial operations (after 15 years of service, officers can lock-in to one or the other). Despite this, many officers often are not adequately prepared to identify and process immigration cases,

In addition, local subject matter expertise is diminishing as legacy CIC officers retire and the ports may not have access to the regional or national subject matter experts required to support a 24/7 operation.

Similarly, awareness of FPA threat vectors and general training on FPA processing is also lacking in SOR. This is a particular concern because SOR processes more live animals than any other region. The sheer volume of crossings increases the probability that animal-borne diseases, particularly foot and mouth in cattle and pseudo-rabies in pigs, may enter Canada through SOR ports of entry. This risk has been

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mitigated to a degree in a few locations,

where CFIA is co-located.

The port is also working on a job shadowing program to increase BSO knowledge of the FPA program. Overall, the FPA stream, like immigration, remains a highly technical specialized stream of the CBSA business, and there is a risk that officers without regular exposure to FPA issues may and i

**Tools.**

are difficult to examine and, therefore, pose a risk for contraband smuggling.

**Infrastructure.** The quality of facilities at land border ports in SOR varies tremendously. While good facilities contribute to the ease of examination (and poor facilities elevate certain risks), they do not alone guarantee the ability to improve examination and enforcement results. The Ambassador Bridge Commercial Offsite and Sarnia's Blue Water Bridge exemplify in this regard.

At the Ambassador Bridge, the port itself does not have on site facilities to offload goods for full commercial examinations. Instead, the bridge owner, the Detroit International Bridge Company, provided the CBSA with an commercial trucking facility from its holdings to use for onsite examinations over three km away from the bridge itself, starting in 1991.<sup>89</sup> BSOs convoy vehicles through 3 kilometers of six-lane traffic on a daily basis.<sup>90</sup>

The facility itself has nine bays, but the interior is sufficiently narrow that even one full truck offload, or one significant seizure, uses most of the available space

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<sup>90</sup> One port vehicle used to convoy trucks recorded 68 000 kilometers during the current year alone.

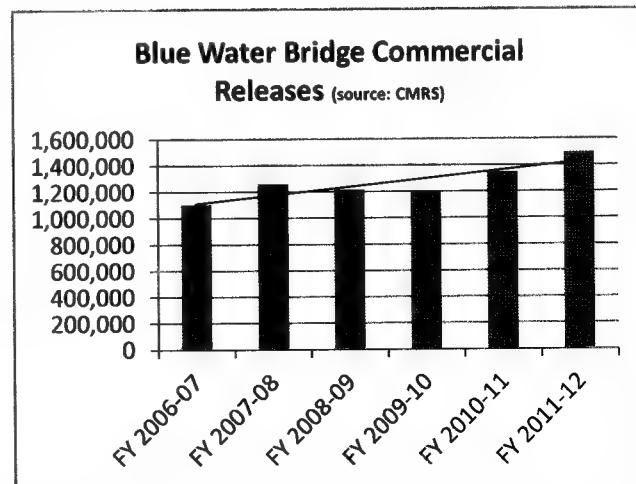
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Sarnia's Blue Water Bridge, on the other hand, has the second highest volume of commercial releases in Canada. Like the Ambassador Bridge, commercial releases at Blue Water have been trending upwards for as long as records are available. Even factoring in slight decreases at the height of the financial crisis, volumes have grown 6 percent per year on average since 2006-2007. 2011-2012 releases were 26 percent higher than in 2006-2007.

This is due to in no small measure to gradual and continuous improvements to US Interstate Highway I69, the so-called "NAFTA superhighway" currently linking Sarnia through to Indianapolis, Indiana and eventually all the way to Mexico. Recent upgrades between Lansing and Port Huron, Michigan (2006), and the addition of a second bridge span at Blue Water (1997), have turned the road into one of the most direct conduits between Chicago and Toronto. The value of the southern Ontario peninsula, particularly the highway I69/402 commercial corridor, as one of the most direct in-transit routes for US goods to move between west and east should not be understated. As a result, we anticipate continued growth in both licit and illicit traveller and commercial volumes through Sarnia for the foreseeable future.

Despite relatively similar volumes of goods facilitated, the difference in commercial processing facilities between the two bridges is striking. Blue Water is home to a brand new (2011), state-of-the art CAD \$70 million Commercial Operations facility. There are seven commercial Primary lanes (with seven more bi-level flex lanes on the way), nine full offload bays with a full time onsite third party offload provider, two detector dogs, and a VACIS machine. In addition, the Canadian Food Inspection Agency, a key CBSA partner (Blue Water is the largest live animal crossing in Canada), shares office space. Overall, staff have the tools they need to do their work.<sup>91</sup>



<sup>91</sup> For all of its gleam, several facilities-oriented challenges remain. The new primary booths were commissioned well before IPIL Highway existed, These are relatively minor issues well-known to management that will be resolved in due course.

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Comparing these two critically important land mode crossings generates two significant conclusions. First, while good facilities are important, they do not on their own guarantee the ability to generate more and better results. Second, the type of examination conducted may be more important to outcomes than the sheer volume of examination performed.

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#### 4.5.3 SOR Marine Traveller Stream

##### Top Risks:

- Drugs and contraband
- Human Smuggling

The SOR is bordered on three sides by significant bodies of water: the St. Clair River and Lake Huron on the west, Lake Erie on the south, and the Niagara River on the east. There are a significant number of identified threats, as well as vulnerabilities that aggravate risk in this mode and stream within the region.

The SOR marine environment is an established cross-border smuggling corridor, valued by criminals for a variety of reasons. The region is a conduit to major Canadian and US urban centres. The long stretches of unpatrolled, narrow St. Clair and Niagara rivers dividing Canada and the US are ideal for smuggling ventures. In addition, the SOR's entire southern end borders on Lake Erie, the smallest and shallowest of the Great Lakes. It straddles Ontario, New York, Pennsylvania, Ohio, and Michigan and features many islands in both the US and Canada that are ideal for concealing smuggling activities. The lake has long been used as a smuggling highway, notably for alcohol during the era of prohibition.<sup>92</sup> Partner intelligence indicates significant illicit movements of people and contraband by water through the region, both between and at ports of entry; 21 criminal groups are known to smuggle between the ports, and 8 have exploited both between and at the ports themselves as a means of clandestine entry.<sup>93</sup>

There are 190 marine reporting sites throughout SOR, in addition to 3 ferry crossings.<sup>94</sup> Boaters intending to enter Canada at a reporting site are expected to report their arrival to the CBSA Telephone Reporting Centre (TRC) at one of these designated locations. The TRC program is centralized. TRC officers usually work hundreds, or even thousands of km away from the areas from which calls originate.

<sup>92</sup> McCarthy, Dennis M.P. An Economic History of Organized Crime: A National and Transnational Approach. Routledge, 2011. pp 138-144.

<sup>93</sup> See for example, the IBET 2011 Threat Assessment, 2011 chapter on Windsor/Detroit and Niagara Frontier IBETs.

<sup>94</sup> <http://www.cbsa-asfc.gc.ca/contact/listing/indexpages/index1435-e.html#d1435>. Accessed 2013-02-04

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compared TRC reporting data with US CBP equivalent information over a single weekend in the summer of 2012 :  
The vast majority of those who did not comply were Canadian citizens, and more than half were NEXUS card holders.<sup>95</sup>

The RCMP has the responsibility to enforce between-the-port marine entries into Canada.

monitor river and lake traffic or attend to calls of alleged unreported entries. The CBSA can only enforce laws or acts from designated CBSA reporting sites.

There are also three ferry crossings in SOR, at Sombra, Walpole Island and Pelee Island in addition to almost 200 other reporting sites scattered along hundreds of km of shoreline. Operations at each of these locations are unique from one another as well as the rest of the marine traveller mode, which is primarily oriented around the TRC remote reporting compliance program. Sombra and Walpole Island are both host to a wide variety of unique operational vulnerabilities that drive risk beyond what their passage volumes might otherwise indicate. As a result, they have been profiled in greater detail in the "Case Study" annex to this report.

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<sup>95</sup> CBSA Study of Small Vessel Reporting Non-Compliance in St. Clair District. Blue Water Bridge Commercial Operations and the SOR District Enforcement Team. 2012-10-30.

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#### 4.5.4 SOR Marine Commercial Stream

##### Top Risks:

- Drugs and Contraband
- Proceeds of Crime

Three regions line the Great Lakes-St. Lawrence Seaway, from the edge of Quebec into the Great Lakes. Some of North America's largest ports are located along the Seaway. The cargo ports throughout these regions share several vulnerabilities, in particular the sheer amount and diversity of cargo vessels.<sup>96</sup>

Almost 25 percent of the traffic operating in the Great Lakes-St. Lawrence Seaway is comprised of foreign-flagged vessels moving to and from overseas ports, especially those in Europe, the Middle East and Africa. The remaining traffic is made up of predominantly Canadian- and US-flagged vessels.<sup>97</sup>

The threats present at other marine ports likely exist at ports along the Seaway and the Great Lakes, albeit on a smaller scale. The establishment of a Great Lakes Marine Security Operations Centre (MSOC) in Niagara Falls highlights the significance of the marine domain for security issues.<sup>98</sup> The marine ports in these regions do not receive the same level of intelligence and enforcement support provided in other regions. There is a high likelihood that ships along the St. Lawrence and the Great Lakes are carrying drugs or other contraband and the ports are similarly vulnerable to exploitation by organized crime groups. There is significant cargo traffic on the Great Lakes that moves between the US and Canada,

Currently, there is too little information available to assess top risks in marine commercial in SOR.

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<sup>96</sup> Joint U.S.-Canada Conference on Great Lakes Marine Border Threats. US Department of Homeland Security, December 10, 2008. Unclassified//FOUO

<sup>97</sup> Great Lakes St. Lawrence Seaway System. Great Lakes/St. Lawrence Seaway (Highway H2O) Facts. <http://www.greatlakes-seaway.com/en/seaway/facts/index.html>. 2012.

<sup>98</sup> A Marine Security Operations Centre is the physical and organizational embodiment of National inter-agency and interdepartmental capability. The core partnership includes Canada Border Services Agency, Department of Fisheries and Oceans/Canadian Coast Guard, Department of National Defence/Canadian Forces, Royal Canadian Mounted Police, and Transport Canada, enabling departments to undertake joint activities in support of integrating marine security situational awareness. <http://msoc-cosm.gc.ca>

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#### 4.5.5 SOR Emerging Risks

Windsor International Airport (YQG) is a small but growing full service regional airport serving scheduled and charter passenger airlines, private and military aircraft as well as cargo carriers. The CBSA port at YQG falls under the management responsibility of the Windsor Tunnel. It has a staff complement of seven experienced BSOs. While the majority of its passenger volumes are domestic, the airport recently began to offer an additional weekly charter flight to its existing service to and from Cuba. Many of the private passenger and commercial aircraft landing at YQG originate in the US and other international locations, mainly in service of local industry. Passenger volumes have grown by 140 percent in the last four years, including a 20 percent increase in passenger volumes (to 230 000) this year alone, the highest in the past decade. Growth is attributable to a variety of factors, including the introduction of new regional carriers such as Porter Airlines, a modest recovery in the automobile industry, as well as efforts to reimagine the airport as an aerospace Maintenance, Repair and Overhaul (MRO) hub.<sup>99</sup>

In recent years, the Windsor-Essex region has made concerted efforts to diversify local industry beyond the automotive sector, in part to build in economic buffers against future financial crises, such as the 2008 financial meltdown that devastated the North American automobile industry. The growing CAD \$4 billion Ontario aerospace industry has been targeted in particular, to further leverage transferable skillsets, resources, supply chains and highly skilled labour from Windsor's automotive industry.

As such, YQG has made a concerted effort to capitalize on its lack of Nav Canada aircraft enroute fees (the city technically falls within US airspace), as well as its geographic position just above the largest air traffic corridor in the world, to broaden its traditional business into a hemispheric MRO and commercial hub. This manifested itself most recently in the completion, by Premier Aviation, of a 143 000 square foot aircraft maintenance facility at the tail of YQG's runway in September of 2012. Since opening, the facility, which is large enough to accommodate Boeing 747-sized aircraft, has overhauled three smaller aircraft: a Bombardier Dash 8, as well as ATR42 and 72 planes.<sup>100</sup>

CBSA staff were initially unable to access the new MRO aircraft hangar in order to process arriving air crew. This may have been due to concern over the proprietary nature of much of the manufacturing equipment housed within the new facility. CBSA access to the hanger was granted at the end of 2012 and procedures are now in place for CBSA officers to clear arriving craft and crew.

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<sup>99</sup> Background in these paragraphs derives from the following sources: "Aerospace Industry Soars in Windsor", In Business Magazine, June 2010, <http://www.premieraviation.ca/news.php>, the embedded video located at <http://www.ygg.ca/>, as well as site interviews with CBSA staff conducted on 2012-11-22. All web material accessed on 2013-02-13.

<sup>100</sup> Ibid.

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## 4.6 Greater Toronto Area Region

The Greater Toronto Area Region (GTA) is the CBSA's smallest geographic region, but is responsible for processing 43 percent of all air travellers, 39 percent of commercial releases, and 41 percent of courier shipments nationally, the vast majority of which was processed by operations at the Lester B. Pearson International Airport (LBPIA). GTA is the only region in Canada that doesn't have a land border POE.

GTA is comprised of three districts: The Passenger Operations District and the Commercial Operations District are both located at LBPIA in Mississauga. The Outport and Postal Operations District is located in Hamilton, and consists of the Hamilton/Kitchener Operations in the John C. Munro/Hamilton International Airport and the Region of Waterloo International Airport; the Billy Bishop Toronto City Airport located in downtown Toronto; and Canada's busiest Postal Operation at the International Mail Processing Centre located in Mississauga.

The region is characterised by the tremendous volumes of air travellers and commercial goods processed at LBPIA, accounting for 43 percent of all air travellers, and 40 percent of commercial and courier releases processed nationally from 2006 to 2012.

### 4.6.1 GTA Air Traveller Stream

The GTA region processed 43 percent of all air travellers from 2006 to 2012 nationally. There are five airports that process international travellers in this region: Kitchener, Hamilton, Oshawa, Billy Bishop Toronto City Airport (BBTCA), and L.B. Pearson International Airport (LBPIA) in Mississauga, which accounts for 96 percent of the region's air traffic. LBPIA is Canada's busiest international airport, processing 42 percent of all international arrivals, and conducting 45 percent of all secondary exams performed in the air mode, resulting in 35 percent of all enforcement actions in the air traveller stream.

LBPIA receives flights from all corners of the world, whereas the smaller airports in the GTA region handles flights from a smaller number of countries. Billy Bishop primarily receives continental flights from the US, while Hamilton and Kitchener process flights full of returning Canadians from sun destinations during charter season. The Hamilton TRC also processes CANPASS and Private Aircraft, which may land at any of the 23 designated landing sites across the region. In the region's smaller airports, drug smuggling is the highest risk.

The air traveller stream presents a number of significant threats, but demonstrates a relatively high degree of enforcement and effective controls. National security-related threats are the most serious in the air traveller stream, but every traveller interacts with the CBSA prior to entering Canada in the airport environment and strong systems connectivity prevents individuals with known or suspected

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enforcement issues from entering Canada without scrutiny at Canada's major airports.

**Top Risks:**

- Inadmissible foreign nationals
- Drugs
- Proliferation
- Currency and Proceeds of Crime

The greatest risk at LBPIA is the admission of foreign nationals who misrepresent themselves to enter Canada. The GTA region is Canada's epicenter for refugee claims; many of those claims are not genuine. From 2003 to 2012, LBPIA has processed 57 percent of all refugee claims made at Canadian airports; in 2010 and 2011, it was over 80 percent.<sup>101</sup> Since 2003, there were 199,337 refugee claims made in Ontario (75 percent of all refugee claims made in Canada), the majority of which were made inland in the GTA region, likely by individuals arriving through LBPIA under false pretences. Many were also made by individuals travelling on documents from visa-exempt countries making them difficult to detect beforehand.

Foreign nationals inadmissible on national security grounds for their association with terrorist organisations, or foreign intelligence services also enter Canada via the air traveller stream.

From 2008 to 2010, 170 terrorism-related refugee cases were identified across Canada,

Human smuggling and Improperly Documented Arrivals (IDAs) also represent a serious risk, and the CBSA has dedicated Flexible Response Teams at many international airports to help identify and interdict fraudulent documents, imposters, and facilitators. In 2012, the top three source countries for refugee claims were visa exempt: Hungary, the Slovak Republic, and Croatia. Hungary alone accounts for over 50 percent of all the claims. There were [redacted] identified IDAs at LBPIA in 2012, the majority of whom were undocumented. [redacted] individuals suspected of smuggling or facilitating the entry of an IDA were also intercepted.<sup>103</sup>

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<sup>101</sup> Since 2006 there have been 35,078 refugee claims made at Canadian airports; 20,301 were made at LBPIA. There were 3,915 refugee claims made at airports in 2010/11 and 3,205 were made at PIA.

<sup>103</sup> Pearson Trend Report: Year in Review 2012. PIA Disembarkation and Roving Team (DART).

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Drugs are a significant risk in the air traveller stream.

the number of drug seizures has decreased by 30 percent since 2009. During the 2011/12 fiscal year, LBPIA was responsible for percent of all significant cocaine seizures, percent of significant heroin seizures and percent of significant Khat seizures in the air traveller stream.

Many smaller regional airports also operate seasonal flights to sun destinations that are known source countries for drugs. Khat is also commonly transported by air because of its short shelf life. Khat causes less harm than cocaine and heroin,

Controlled goods and dual-use technology continues to be smuggled out of Canada via the air traveller stream in contravention of Canadian and international export legislation at LBPIA.

Undeclared currency and proceeds of crime (POC) are being exported via the air traveller stream at LBPIA and Billy Bishop Airport. Enforcement history indicates that fewer Currency and POC seizures are taking place on an annual basis; since 2009 currency and POC seizures fell by more than 50 percent in number and CAD \$5 million in value.

## Vulnerabilities

**Volume Management.** Since 2010, the number of secondary examinations and enforcement actions against travellers has fallen by 31 and 37 percent respectively, while the number of travellers has increased by over a million people, or 11 percent. Simultaneously, the pressure to maintain service standards such as border wait times has put an incredible strain on the reduced number of resources dedicated to enforcement in the air traveller environment.

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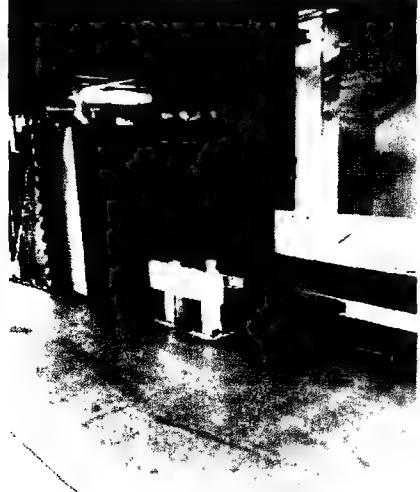
<sup>104</sup> CBSA OBEC reports (Prot. B), and CISC NCIE 2012 (Prot. A)

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LBPIA's Integrated Compliance Enforcement Team (ICET) is mandated to focus on passengers outside of the regular process flow that have not been referred for secondary examination,

**Internal Conspiracies** involving airport and airline staff to CBSA enforcement operations. There is a known presence of OC groups at many Canadian international airports. These groups are known to target vulnerable airport employees with access to restricted areas, in order to facilitate smuggling drugs and other contraband.

Investigations of ICs at international airports continue to be a high priority for CBSA intelligence in the GTA.



**Billy Bishop Toronto City Airport (BBTCA)** is Canada's fastest growing international airport. Passenger volumes have more than quadrupled since 2008, and the airport is aggressively seeking to expand service. The expected growth is prompting USCBP to consider setting up pre-clearance at the airport. Customs and immigration enforcement actions are increasing on an annual basis (albeit the majority of them are for low-risk commodities such as undeclared clothing, alcohol, and tobacco). The CBSA has not intercepted any significant quantities of drugs here. Furthermore, we assess that the environment is ripe for internal conspiracies at BBTCA.

### **Threat Knowledge.**

Officers are reliant on the supporting documents (travel, birth or otherwise) provided by the claimant to determine identity. These documents are often fraudulent.

<sup>105</sup> 2012 CISC National Criminal Intelligence Estimate. Protected A

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**Subject Matter Specialisation.** The departure of legacy Agriculture officers is contributing to a lack of subject matter expertise in administering the FPA program on the front line. Many officers have received basic FPA training, but lack the possibility to learn from FPA subject matter experts. LBPIA accounts for

Furthermore, this represents a 30 percent drop over 2010/11, and a 65 percent drop in enforcement from 2005/06 when there were designated Agriculture officers working at LBPIA. The CBSA has made significant efforts to cross train officers in the immigration stream.

**Advanced information and Targeting.** The National Targeting Centre (NTC) is now responsible for the targeting of all international flights across the country.

This change has improved the CBSA's ability to comply with the legislative requirements regarding the handling of API/PNR,

**PROTECTED B//ATI Exempt: S.16, 21 refer****4.6.2 GTA Air Commercial Stream**

The GTA region is the busiest region for air commercial imports. Since 2006, the GTA region has cleared 39 percent of commercial releases and 41 percent of courier releases. Close to 90 percent of these are cleared by commercial operations at LBPIA, making it the busiest air commercial office nationally by a large margin.

The increasing volumes, in conjunction with the limited hours of commercial operations and the prevalence of internal conspiracies, make this stream a top risk in the GTA, and a significant area of concern for CBSA nationally.

**Top Risks:**

- Outbound: Proliferation
- Drugs
- CITES

Counter-proliferation related export infractions pose compromise the security of Canada, and the international community. The air commercial stream (courier and cargo) is the most frequently utilised vector for the export of controlled or sensitive technologies in contravention of Canadian and international export legislation. LBPIA has an export targeting unit,

From 2010-2013 there were : seizures, : AMPS penalties, : withdrawals of goods (resultant), and : cases forwarded for criminal investigation. Interdicting outbound controlled goods is challenging in the air commercial environment because of the : requirement for goods being exported, which makes risk assessment difficult. Export declarations can be made

Officers working with CPIS rely on an outdated Statistics Canada reporting system, and a paper reporting process form (B13A) for exporters. Changes to the Reporting of Exported Goods Regulations are expected in 2014, which will require the declarations be submitted electronically to the CBSA.<sup>106</sup>

Drugs in the commercial air stream represent the top risk for the GTA. The air cargo stream is regularly exploited for importing drugs including cocaine, heroin, and opium concealed in shipments of commercial goods. Unlike the land mode, air cargo shipments arrive daily from numerous international locations, including source and transit countries for narcotics. Certain narcotics, such as Khat, are most commonly encountered in the air cargo stream, as they are perishable and are primarily sourced from European transit countries. Intelligence suggests that drug seizures in the air commercial stream are

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<sup>106</sup> Air Cargo Risk Assessment. Strategic Risk and Foresight Division, 2013. Protected A

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fewer, but shipments are generally larger, and more valuable. In 2012 only 12.5 percent of drug seizures were made in the air commercial stream, but they were worth almost CAD \$135 million, which is 44 percent of the value of all drug seizures made in all modes. The CBSA is also far more likely to

Very few resources are dedicated to the training on, and enforcement of CITES infractions.<sup>107</sup> In Europe, the street value of some protected goods, such as rhinoceros horns, now far exceeds the value of traditional enforcement priorities such as cocaine.<sup>108</sup> Criminal organizations across Europe have adapted business models to meet emerging demands for rhinoceros horns, where significant profits can be made at relatively low risk to the organization. The air cargo mode is ideal for smuggling these goods to and from Canada,

Agar wood, a heavily scented wood originating in Asia, was routinely identified at Ottawa Air Cargo, but it was not known to be a CITES protected good until an unrelated meeting between CBSA and Environment Canada.

### Vulnerabilities

**Internal Conspiracies.** The to CBSA enforcement efforts is the prevalence of Internal Conspiracies at airports, and along the commercial import and export supply-chain. the LBPIA Airside Enforcement Team has been successful in intercepting multiple large shipments of drugs hidden onboard aircraft and amongst legitimate cargo shipments,

**Volume Management.** The emphasis on facilitation over enforcement has resulted in the FRT officers being utilised to clear traffic at the primary counter, reducing the number of officers available to conduct examinations. Commercial operations are often not a 24/7 operation because there is not enough work, but this has a few adverse consequences for our enforcement capabilities.

<sup>107</sup> CITES (The Convention on International Trade in Endangered Species of Wild Flora and Fauna) is an international agreement, to which Canada is a signatory, to protect endangered species of wild animals and plants.

<sup>108</sup> Intelligence Bulletin, "Street Value of Rhinoceros Horns Exceeds Cocaine", Northern Ontario Region Intelligence Division, February 8, 2012

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In the context of international business standards, an overnight delay for examination is usually not considered acceptable; having to wait a weekend even less so. After-hour requests are handled by officers

**Compliance Program.** The dissolution of the Warehouse Audit team at LBPIA in 2013 is likely to have a negative impact on compliance. In 2011/12 the unit audited 11 out of the 11 commercial warehouses in the LBPIA area, 10 of which were compliant. This resulted in over CAD \$611,000 in AMPS being issued to sufferance warehouses. The lack of accountability and transparency in the warehouse environment contributes to an environment that is vulnerable to internal conspiracies.

**Advanced Information and Targeting.** Targeting deficiencies contribute to the risks in the air commercial stream. The CBSA's Advanced Cargo Information (ACI) program facilitates risk assessment, allows for the pre-arrival targeting of air cargo, and contributes to enforcement efforts in this stream. However, commercial targeting system interoperability issues, as well as data quality issues are vulnerabilities.

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#### 4.6.3 GTA Marine Traveller Stream

The GTA region Marine AOR stretches across the Northern Shore of Lake Ontario from Toronto to Hamilton, and also includes most of the Southern shore of Lake Huron. In 2012 marine travellers in the GTA accounted for 2.9 percent of the national total, the marine mode.

##### Top Risks:

- Failure to Report

There are 77 designated marine reporting sites throughout GTA. Boaters intending to enter Canada at a reporting site are expected to report their arrival to the CBSA Telephone Reporting Centre (TRC) at one of these designated locations. The onus is on the marine vessel operator to report to the CBSA via TRC

Of the        boaters who did report in 2012,        were referred for examination, of which were resultant. Some places have better coverage than others.

In some instances the CBSA must rely on a marina, for transport to and from examinations. The more challenging situations are where some marine reporting sites. are hours away from the closest CBSA POE.

The geographic areas of responsibility for marine ports are vast, and

report, or 1 The  
RCMP has the responsibility to enforce between the port marine entries into Canada.

monitor river and lake traffic, or to attend to calls of alleged unreported entries. The CBSA can only enforce the law from the shore at designated reporting locations.

Despite the above mentioned operational vulnerabilities, we assess that there are no significant risks in the marine traveller stream in the GTA, due to the minimal threat levels.

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#### **4.6.4 GTA Marine Commercial Stream**

GTA marine commercial operations represent a small fraction of national totals, and any commercial vessel reaching Hamilton has already reported inwards either in the Welland Canal, Montreal, or Halifax. In general, commercial vessels export commodities, including grains and salt from the marine ports in Halifax.

##### **Top Risks:**

- Inadmissible foreign nationals

We assess the only significant risk in marine commercial operations are inadmissible foreign nationals. Although the likelihood is still very low, the layout at the port makes it possible for crew members to jump ship.

The city of Hamilton and the Port have a historic presence of OCGs and OMGs, yet there is a lack of threat information with respect to the area of operations in Hamilton.

#### **4.6.5 GTA Emerging Risks**

There are a number of trends and initiatives that we assess will have an impact of operations in the GTA region over the coming years:

- LBPIA continues to expand coverage into new and emerging international markets that include high risk source countries for drugs, and may provide new smuggling routes for irregular migration.
- As of April 2013, The GTA region will be home to the amalgamated Telephone Reporting Centre (TRC) located in Hamilton. It is expected that the number of marine travellers and private aircraft will continue to marginally increase annually across the country.
- Billy Bishop Toronto City Airport is Canada's fastest growing airport. Currently Billy Bishop processes 23 trans-border flights per day, but this can potentially increase to 52 flights with the expansion of Airline operations and the possible introduction of U.S. CBP preclearance. Enforcement actions have not been serious yet, but there is an increased need for immigration processing as more U.S. hubs become sources of flights.

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#### 4.7 Quebec Region

The Quebec Region is divided into four districts and shares 813 kilometers of land border with four American states and 2,500 kilometers of coastline. Its principal feature is the St. Lawrence River, a gateway to the heartland of North America. It is still an intrinsic part of Quebec's economy, offering commercial vessels the services of two major marine ports and a route all the way to Lake Superior. Structured around the St. Lawrence estuary, the St. Lawrence District office provides a wide range of services, but no land border operations. Beyond marine mode services up and down the river, it clears mail and courier packages in Montreal, and carries out airport operations in a number of small airports, including at Jean Lesage International Airport in Quebec City.

The Airport District is located north-west of the St. Lawrence and borders Ontario. Although it covers a large geographic area, the district is sparsely populated and its offices manage no international border. Its operations are centered on people and goods arriving at the Montreal Pierre-Elliott Trudeau International Airport, and commercial cargo being shipped to Mirabel Airport. Together these two airports represent the vast majority of people and goods entering and leaving Quebec in the air mode.

The East Border District covers two sectors, the Appalachians and Stanstead, with 19 service points bordering the three American states of Vermont, New Hampshire and Maine. The Appalachian mountain chain forms a natural barrier between the eastern coastal plain and the vast interior lowlands of North America. The border crossings are serviced by regional hilly roads surrounded by forests. The forest industry is prominent and commercial truck drivers are regularly processed, as well as locals from rural communities and vacationers who want to take advantage of the outdoor opportunities in the region.

The Montérégie Border District is the smallest district area-wise, but its land border operations are the busiest. Its 19 service points share a 300 kilometers straight line border with Vermont and New York states. The District services the strategic commercial corridor between Montreal and New York, processing approximately five million travellers annually. Connecting Highway 15 with Interstate 87, the Saint-Armand-Bernard-de-Lacolle office is the busiest land border crossing for the Quebec Region. In 2011/12, it recorded processing 733,277 cars, 8,124 buses and 274,123 trucks.<sup>109</sup>

**Assessment Base:** The assessment for the region is based upon the one hundred sixty survey responses received from the region, representing officers from every mode and stream in QC. The survey results were complemented with site visits to Pierre Elliott Trudeau International Airport (PETIA), Jean Lesage International Airport, Saint-Bernard de Lacolle, POE 221, POE 223, Quebec Port, Montreal Port and other available information.

<sup>109</sup> As per <https://cbsawikiasfc/display/pp/St-Bernard+de+Lacolle>, accessed 20 February 2013.

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#### **4.7.1 Quebec Air Traveller Stream**

##### **Top Risks:**

- Drugs
- Inadmissible foreign nationals
- Undeclared currency and POC (inbound and outbound).

Annually, the Quebec region processed approximately 18 percent percent of all national air travellers. Montreal Pierre Elliott Trudeau International Airport (PETIA) is the predominant international airport for the Quebec region, processing approximately 96 percent of all flights.<sup>110</sup> There were drug seizures at PETIA in 2011-2012 compared with      in VIA and      in LBPIA.<sup>111</sup> The types of drugs seized were primarily coca leaves (      seizures); Other Controlled drugs (      seizures); marihuana (      seizures); Steroids (      seizures); and, cocaine (      seizures). Although passenger volumes are much lower, the Jean Lesage International Airport in Quebec City offers regular flights the United States, Europe and a few southern destinations. BSOs also clear military personnel returning from missions abroad.

Foreign nationals who gain entry into Quebec through misrepresentation are a high risk in the air traveller stream. PETIA will often be the destination of choice for irregular migrants from French-speaking countries. Human trafficking from Eastern Europe involving the sexual exploitation of women also represents a high risk. In calendar year 2011, PETIA processed 695 refugee claimants, a number that almost doubled to 1,085 in 2012.<sup>112</sup>

Currency and suspected proceeds of crime are an important risk in the Quebec region, due to the influence of organized crime and the internal conspiracy vulnerabilities present at the main airports. Organized crime needs to conceal the sources of money obtained by illicit means – moving bulk cash to other jurisdictions is one of the methods criminals use for money laundering. In 2011/12, there were      suspected proceeds of crime currency seizures at PETIA on arriving passengers, representing approximately 19 percent of all suspected proceeds of crime national seizures and approximately 21 percent of them in the air mode.

##### **Vulnerabilities**

**Internal Conspiracies.** International travellers flying to Canada come under a lot of scrutiny as part of CBSA's effort to identify high-risk people and prevent their entry into Canada. Quebec airports are part of CBSA's strong enforcement continuum in the air traveller stream. BSOs have the opportunity to

<sup>110</sup> AS per <https://cbsawikiasfc/display/pp/Montreal+ percent28P.+E.+Trudeau percent29+International+Airport>, accessed 20 February 2013.

<sup>111</sup> As per <https://cbsawikiasfc/display/pp/Airport+Profiles>, accessed 20 February 2013.

<sup>112</sup> CIC Datawarehouse.

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interact with every traveller upon arrival for verification and examination. The biggest vulnerability identified in the air traveller stream is internal conspiracies originating from non-CBSA employees. In Canada,

BSOs surveyed in the Quebec region have identified ramp employees as a major vulnerability, given their access to luggage and cargo where they can pick up contraband and avoid customs control.

poses a similar risk at

**Volume Management.** The emphasis on Border Wait Times (BWT) has created the perception among officers that management favours facilitation over enforcement.

**Swallowers.** Concealment by swallowing drug pellets is a common method used by smugglers for During a secondary examination, these travellers may be asked to relieve themselves in a special toilet designed to capture drug pellets.

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#### 4.7.2 Quebec Air Commercial Stream

##### Top Risks:

- Drugs
- Export: Counter-Proliferation

Over fifty employees work at the Commercial section of the Airports District, the third office in the Quebec Region in terms of volume of commercial releases.<sup>113</sup> After GTA, Quebec region processes the highest volume of air cargo goods.

##### Vulnerabilities

**Fragile and Perishable Goods.** Air transportation is the fastest transportation means for cargo goods, but also the most expensive. Perishable products are processed by CBSA on a priority basis for the economic benefit of Canada.

**Hours of Operation.** We assess that hours of operations is an important vulnerability in the air commercial stream. The CBSA Air Cargo Operation staff at PETIA work from 8:00 am to 16:30 pm, Monday to Friday. A number of flights from South America land after these regular office hours. In these circumstances the clearance function is conducted by BSOs on the traveller's side

**Internal Conspiracies.** The greatest impediment to CBSA enforcement efforts is the prevalence of Internal Conspiracies at airports, and along the commercial import and export supply-chain. the Airside Enforcement Team has been successful in intercepting multiple large shipments of drugs hidden onboard aircraft and amongst legitimate cargo shipments

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<sup>113</sup> As per [http://atlas/qr-rq/photos/photogallery\\_galeriephotos\\_eng.asp?g\\_id=40](http://atlas/qr-rq/photos/photogallery_galeriephotos_eng.asp?g_id=40), accessed 20 February 2013.

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#### 4.7.3 Quebec Land Traveller Stream

##### Top Risks:

- Failure to report at POE
- Drugs
- Inadmissible foreign nationals
- Currency and Proceeds of Crime

Together, the Montérégie Border District and the East Border District have 35 ports of entry along 800 km of border with the United States, some in flat, rich farm fields and others in the hilly forest terrain of the Appalachian Mountains.

at a POE is a general concern, especially in unguarded areas serviced by roads (see picture). The lightly guarded border around the village of Stanstead

POE is a particularly vulnerable zone, as it divides the village in two.



Canada / US border in the area of Lacolle; the road is in the United States while the field is in Canada

Every year the two districts clear about 7.5 million international travellers who come to Canada by car, train and by boat from the Richelieu River and Lake Champlain. Forty percent of all travellers are processed through two POEs, St. Bernard de Lacolle and St. Armand/Philipsburg. The high volume of travellers at these two POEs increases the likelihood for contraband and immigration infractions. In 2011-12, POE St-Bernard de Lacolle recorded immigration enforcement activities and immigration facilitation activities.<sup>114</sup>

##### Vulnerabilities

**Volume Management.** A majority of officers feel the emphasis on BWT is an impediment to fulfilling CBSA's enforcement mandate. The combination of high volumes and BWT requirements result in reduced capacity to identify and examine high-risk people and goods. BSOs perceive Management to be focused almost exclusively on facilitation, leaving them little time to duly complete their enforcement responsibilities. This situation is affecting morale. It may also be the cause for the high number of BSO survey responses indicating as a problem the insufficient number of staff.

<sup>114</sup> As per <https://cbsawikiasfc/display/pp/St-Bernard+de+Lacolle>, accessed 20 February 2013.

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**Tools.** Quebec region the lack of tools was identified as an important vulnerability for some of the ports in the land traveller stream. A number of tools and technology devices are not available for the detection of contraband and the prevention of inadmissible people entering Canada:

**Officer Health & Safety.** Officers at small POEs who conduct enforcement activities on members of their own small community may be vulnerable to the effects of stigmatization. Over time, familiarity between officers and travellers may impact the examinations and referral decisions.

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#### 4.7.4 Quebec Land Commercial Stream

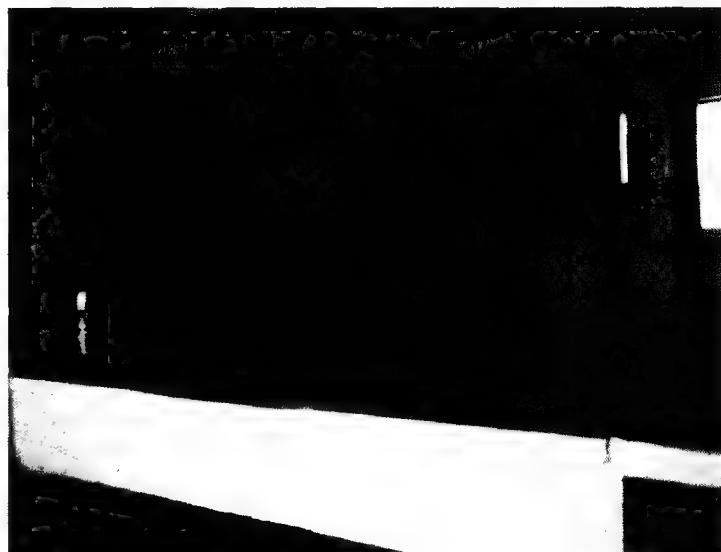
##### Top Risks:

- Drugs
- Firearms
- Tobacco and Alcohol contraband
- Undeclared currency and Proceeds of Crime

Annually, the Quebec region is responsible for about seven percent of national land border releases. Together in 2011/12, St. Bernard de Lacolle and Stanstead processed 349,377 trucks.<sup>115</sup> We assess drugs to be a top commodity risk in the land cargo stream given the highly developed New York – Montreal transportation corridor. The large volumes of cargo shipments and the many concealment methods they offer, represent smuggling opportunities that are well-known to organized crime.

##### Vulnerabilities

###### Fragile and Perishable Goods.



Route 223 near Lacolle, the commercial secondary offload area behind the metal fence

**Infrastructure.** We assess that the lack of proper secondary areas for the examination of cargo to be an important vulnerability in some land POEs in the Quebec region.

<sup>115</sup> As per <https://cbsawikiasfc/pages/viewpage.action?pageId=3704129>, accessed 20 February 2013.

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Commercial trucks can be referred to the nearest POE equipped with a full offload area

**Voluntary Compliance Programs.**

This voluntary compliance program dates back to 1978 and spans 276 kilometers of the Quebec-Maine border. The 35-year old program was designed to address the commercial needs of local mills by allowing logging trucks to cross the border after CBSA regular hours. Annually, the program facilitates the import of over 20,000 log shipments outside POE hours, representing a significant portion of all the forest industry traffic for the region. Commercial importers are required to use one of the four designated POEs or one unguarded road crossing (St-Zacharie) by depositing their cargo manifest into a locked box.

**Internal Conspiracies.** We assess internal conspiracies to be an important vulnerability for the smaller land POEs of the Quebec region.

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#### 4.7.5 Quebec Marine Traveller Stream

##### Top Risks:

- Drugs
- Contraband
- Firearms
- Inadmissible foreign nationals

The Quebec region processes approximately 19 percent of the marine travellers across Canada annually. In general, the waterways and the vast unguarded coastline that surround the land border ports in the Quebec region are conducive to exploitation by criminals. The risks associated with the marine traveller stream are largely unknown given the small amount of enforcement actions and the lack of threat intelligence produced by CBSA. However, we suspect that the top risks associated with this stream are consistent with the top national risks.

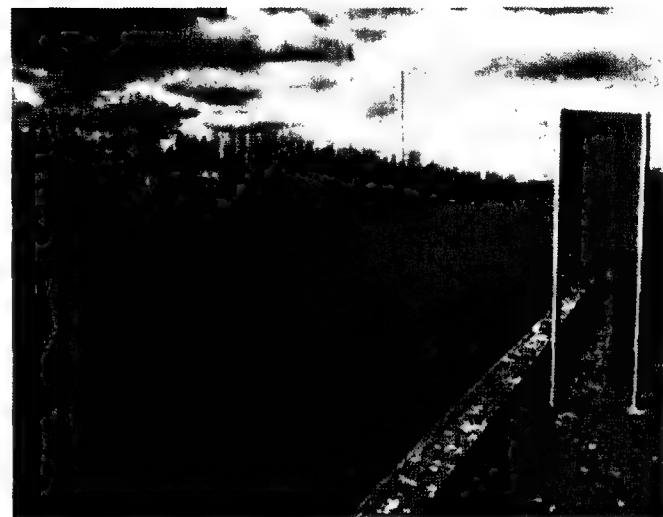
##### Vulnerabilities

Some designated reporting sites have a CBSA presence which is seasonal, for example, the Quai Richelieu opens from May 1<sup>st</sup> to October 31<sup>st</sup>, with hours of operation from 8:00 to 20:00.

Private vessels that report to Quai Richelieu POE are asked to dock



PROTECTED B//ATI Exempt: S.16, 21 refer



#### 4.7.6 Quebec Marine Commercial Stream

##### Top Risks:

- Drugs
- Contraband
- Fraudulent documents

Drugs are a top risk in the marine cargo stream. In 2011/12, large-scale seizures have been made in Quebec marine ports, at the Montreal CEF (--- heroine, other controlled drugs, cocaine, opium and ketamine).<sup>116</sup> Cargo vessels coming from drug-producing countries offer good opportunities to conceal large volumes of contraband, and the presence of organized crime in the arrival port increases the likelihood of successful delivery. In addition to many physical concealment opportunities, the narcotics will sometimes co-mingle with legitimate goods.

##### Vulnerabilities

##### Hours of Operation.

**Threat Knowledge.** Also noted was the relative lack of relevant, timely intelligence. Effective targeting based on intelligence is judged essential to improve enforcement rate. Targeting is an important tool as long as the data is reliable. Intelligence can greatly enhance in targeting performance.

##### Tools.

**Internal Conspiracies.** Internal conspiracies constitute an important vulnerability in the marine cargo stream. The influence of organized crime at Canadian ports is well documented. In the Quebec region,

<sup>116</sup> ICES

PROTECTED B//ATI Exempt: S.16, 21 refer



the Port of Montreal's waterfront activities are vulnerable to internal conspiracies by non-CBSA employees associated with organized crime. The waterfront activities stretch over 25 kilometers, a large territory to cover for CBSA's limited presence. CBSA operates from 7:30 to 15:30, Monday to Friday.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

## **4.8 Atlantic Region**

The Atlantic Region consists of the four Atlantic Canadian provinces: Newfoundland, Nova Scotia, New Brunswick, and Prince Edward Island. As of April 2012, there are 3 districts: Nova Scotia - Newfoundland and Labrador, Northwest New Brunswick, Southern New Brunswick and Prince Edward Island..

The region is geographically smaller than most other CBSA regions, but it has one of the longest borders. It is the closest region from Canada to Europe and to the Caribbean by sea. It is also the only region that is in proximity to another country besides the United States; the islands of Saint Pierre and Miquelon are French territories just off the coast of Fortune, Newfoundland.

Twenty-one organized crime groups with a nexus to the border have been identified in the region.<sup>117</sup> These groups are involved in contraband, firearms and currency smuggling. Regional intelligence priorities are concentrated around the movement of drugs, but other recent investigations include employment fraud, firearms smuggling, money laundering, and human trafficking.<sup>118</sup>

### **4.8.1 Atlantic Air Traveller Stream**

#### **Top Risks:**

- Drugs
- Inadmissible foreign nationals / Immigration Fraud
- Undeclared currency and Proceeds of Crime

The Atlantic Region handled just over 2 percent of the air travellers who arrived in Canada in FY 2011/12. Three regional airports process 89 percent of international arrivals: Halifax Stanfield International Airport (68 percent), St. John's International Airport (11 percent), and Gander International Airport (9.3 percent).

Risks in the air traveller stream parallel national trends in proportion to volume. Prescription drugs and marihuana are frequently seized primarily at Halifax. There have been significant seizures of higher impact drugs such as cocaine or heroin in recent years. The seizure figures are consistent relative to other international airports in the country, since regional airports handle a small fraction of air travellers.

The number of travellers arriving at Halifax Stanfield International Airport (HSIA) has increased over the past three years. The number of foreign nationals processed at the airport for work permits has also

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<sup>117</sup> CBSA Enforcement and Intelligence Operations, Atlantic Region, "Strategic Analysis of Region intelligence Reports" (January 2013), AIMTAC

<sup>118</sup> Ibid.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

increased significantly, as has the demand for study permits for some nationalities. Several large oil companies in the region have cooperated to open a training centre with the University of Cape Breton and the Coast Guard College and there is significant growth in off-shore oil exploration off the coast of Newfoundland. As a result, the booming energy economy in the region is one of the primary drivers for the increases in demand for study and work permits processed at HIA, the region's largest airport. Despite these new demands immigration enforcement rates have remained relatively stable.

There are few international airports in Canada where arriving flights from overseas do not enter into US airspace; HIA is one. As a result, passengers on the U.S. No Fly list are able to fly unrestricted from points in Europe to Halifax.

Air mode currency export operations, supported by Regional Intelligence, have had some success. In FY 2011/12, percent of seizures at Halifax were for currency, including four outbound seizures which alone totalled more than CAD \$100,000.

### **Vulnerabilities**

**Volume Management.** Border wait times (BWT) in combination with Deficit Reduction Action Plan (DRAP) measures affecting staff levels have resulted in a reduced capacity for enforcement.

**Internal Conspiracy.** The commercial air traveller stream has a number of layers of security that effectively reduce the risk of smuggling. However, criminals continually seek to subvert these controls

### **Infrastructure.**

**PROTECTED B//ATI Exempt: S.16, 21 refer**

A number of Fixed Based Operations (FBOs) are located on airport premises.<sup>119</sup> Some FBOs are reporting sites, but often private aircraft will land at FBOs that are not designated reporting sites.

The FBOs have separate security requirements than the main terminal

**Voluntary Compliance Programs.** There are 54 air traveller reporting sites for private air craft scattered throughout the region. There are around 17 000 calls to the Telephone Reporting Centre (TRC) annually from private planes arriving at reporting sites in Atlantic. About percent of these calls are referred for examination each year. Approximately 93 percent of private aircraft arrivals are non-permit holders. The regional airports at Goose Bay and Gander are in the top 10 TRC reporting sites nationally for volumes, and have relatively high referral rates

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<sup>119</sup> Most FBOs offer aircraft fuel, oil, and parking, along with access to washrooms and telephones. Larger FBOs offer additional aircraft services such as hangar storage, maintenance, aircraft charter or rental, flight training, de-icing, and ground services such as towing and baggage handling. (Transport Canada)

PROTECTED B//ATI Exempt: S.16, 21 refer



#### 4.8.2 Atlantic Land Traveller Stream

##### Top Risks:

- Undeclared Currency and Proceeds of Crime
- Drugs
- Firearms
- Inadmissible foreign nationals

The Atlantic region processed roughly 7 percent of national land travellers for FY 2011-12. The majority of those travellers cross at St. Stephen Ferry Point Bridge, Woodstock, and Edmunston. Many travellers are local, sometimes crossing several times a day. St. Stephen has three POE's (Ferry Point Bridge, Milltown, and 3<sup>rd</sup> Bridge) in the community, each with its own unique characteristics and traffic. These ports represent almost 40 percent of land travellers in the Atlantic Region. The St. Stephen POEs are the closest to the regions' larger cities of Halifax, Moncton and Saint John.

While the marine mode and crossing between the land ports may allow more significant quantities of contraband to be smuggled into the region, private vehicles offer a number of concealment opportunities for small quantities of illicit goods, and travellers can blend easily amongst traffic at the higher volume ports. Small quantities of marihuana are occasionally seized at border points throughout the region,

##### Vulnerabilities

**Officer Health & Safety.** Many staff are from the area in which they work. Familiarity with frequent travellers is expected. POEs located in or close to small communities encounter the same clientele crossing the border on more than one occasion daily. BSOs and Superintendents live in these communities, with close links both physically and socially to the population. This can become a health and safety issue in small towns and villages where BSOs are easily identifiable after conducting enforcement activities.



Ensuring that aspects of the CBSA's mandate are achieved is difficult at times

There are many small ports in the region,

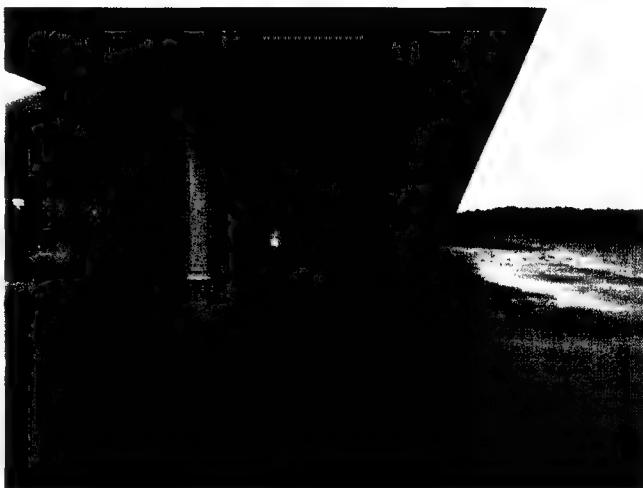
<sup>120</sup> CBSA OBEC Report (Atlantic Sept-Nov 2012), Protected B

**PROTECTED B//ATI Exempt: S.16, 21 refer**

16 of the 22 double up sites are in the land mode.

**Tools and Infrastructure.** Many of the land border offices are operated by officers per shift.

Ferry Point Bridge is located in the town centre of St. Stephen. It is the region's largest traveller crossing clearing over 20 percent of traffic. The physical location of the port, wedged between the St. Croix River and the town's main road



St. Stephen 3<sup>rd</sup> Bridge was opened in late 2009 and is located on a newly built highway. Despite the new construction, the secondary roof is too short and will not allow large vehicles to enter. Instead, large vehicles such as RVs or trailers, are referred to an uncovered area at the end of the secondary facility.

#### **4.8.3 Atlantic Land Commercial Stream**

##### **Top Risks:**

- Drugs
- Firearms

The Atlantic Region processes just over 2 percent of the land commercial releases. Over 90 percent of the releases in the region are handled by four ports: 3rd Bridge (50 percent), Woodstock (26 percent), Edmundston (8.3 percent), and St. Leonard (6.8 percent).

The land commercial stream is ideal for smuggling contraband. Trucks are always on the road, routinely cross the border and have access to intermodal facilities. The trailers themselves, as well as the goods within, afford many opportunities for concealment. Identifying suspect loads and examining them is particularly challenging. There have been 1 seizures in the land commercial mode. The bulk of enforcement actions are

The main drug concern for the region is cocaine, however during operations officers have found Meth and prescription drugs.

**PROTECTED B//ATI Exempt: S.16, 21 refer**



## Vulnerabilities

**Infrastructure.** Few ports in the Atlantic have the proper facilities to do a [REDACTED] Even ports with [REDACTED] are limited in the type of cargo they are able to inspect.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

#### **4.8.4 Atlantic Marine Traveller Stream**

##### **Top Risks:**

- Non Report to POE
- Drugs
- Human Smuggling

The Atlantic Region receives nearly a third of the nation's marine travellers. Four of the region's Ports of Entry process 94 percent of Atlantic marine travellers: Halifax (44 percent), Saint John (29 percent), Sydney (11 percent), and Charlottetown (10 percent).

Crossings between the ports are a concern in most modes, but in the Atlantic Region it is most prevalent in the marine mode. The marine domain provides many opportunities for undetected movement. The coastline of the Atlantic region is extensive. Most areas are rural, rugged and sparsely populated.

Vessels that arrive between designated reporting sites are the responsibility of the RCMP.

Drug smuggling and irregular migration are the top risks in the marine traveller mode. Private craft are an ideal conduit to move contraband and people. They combine ample storage with the flexibility to enter Canada between the ports. Enforcement is a challenge because of jurisdictional questions and the vastness of the marine geographic area.

Smuggling operations utilizing small vessels employ several techniques that prevent effective enforcement by CBSA. Many drug shipments are arranged in warm-climate source or transit countries during the winter, and then sail to Canada in the spring.

In 2010, a vessel travelling from the Caribbean was interdicted attempting to smuggle ten people into Canada (8 of the 10 subsequently claimed refugee status). The captain and another person plead guilty to human smuggling pursuant to the IRPA.<sup>123</sup> A similar incident in 2012 demonstrates that private vessels continue to be exploited to move irregular migrants into Canada.

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<sup>121</sup> Atlantic Region Small Vessel Assessment, Protected B.

<sup>122</sup> Strategic Analysis of Regional Intelligence Reports (January 2013), AIMTAC

<sup>123</sup> Strategic Analysis of Region intelligence Reports (January 2013), AIMTAC

PROTECTED B//ATI Exempt: S.16, 21 refer



The cruise ship industry is seasonal in Canada, running from April until October. Cruise ships mostly arrive from the US, the Caribbean and Europe. They carry many passengers

In 2011, 122 cruise ships arrived in Halifax, with an average passenger complement of 2000 plus crew.<sup>124</sup>

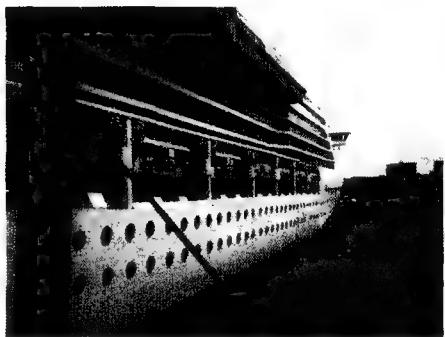
The relatively low cost of a cruise, as well as the multiple stops *en route* make it a viable conveyance for the movement of contraband, but particularly for human smuggling. For example, in 2005, 47 Chinese irregular migrants boarded cruise ships in the United Kingdom using fraudulent temporary resident visa-exempt South Korean passports and were able to disembark at Halifax undetected.<sup>125</sup>

#### Tools.

There is potential for travellers to come from anywhere in the world on cruise ships, and there is no requirement for Advanced Passenger Information in the marine mode.

Primary inspection often occurs on gangways or in small corridors on the vessel,

Potential exists for passengers to be involved with the smuggling of narcotics, firearms, or people. Smuggled people may pose a risk by having terrorist ties or having serious criminality. Despite this, there are tools available to allow officers to risk assess passengers or identify individuals



**Infrastructure.** Infrastructure at Atlantic Region marine ports is inconsistent. For example, CBSA presence at the Halifax Cruise Ship terminal is very limited, there is no dedicated space for officers to conduct their work, and primary inspection is done on

<sup>124</sup> <http://www.cruisehalifax.ca/our-visitors/statistics.html>

<sup>125</sup> Atlantic Region: Irregular Marine Migration. March 2009

<sup>126</sup> Cruise Ship Threat Assessment, Analysis and Assessment Division, Enforcement Branch, CBSA, May 2006

<sup>127</sup> 2012 Atlantic Cruise Ship Risk Assessment (Protected B)

**PROTECTED B//ATI Exempt: S.16, 21 refer**

the gangway or on the vessel itself. There are now two cruise ship terminals in Saint John. While a second terminal with IPIL, secondary examination facilities and cells has just been constructed, it is an overflow site. Most vessels continue arrive at the original terminal, so passengers and crew will continue to be cleared in inferior facilities.

**Internal Conspiracies.** Internal conspiracies by cruise ship crews are a particular concern. The crews make regular visits and become familiar with Canadian destinations and therefore have the potential to make domestic and foreign contacts. Crews can also deliver contraband to locals through passenger intermediaries.<sup>128</sup> Although CBSA has had few cruise ship seizures, international partners have had results. For instance, 35 kilograms of cocaine was seized by the United Kingdom Border Agency in 2010, and in October of the same year, the USCBP has two separate seizures of 6.5 kilograms of heroin, and 3.5 kilograms of cocaine in San Juan, Puerto Rico.<sup>129</sup>

**Voluntary Compliance Program.** Private vessels reporting to the Telephone Reporting Centre (TRC) program .

The  
Atlantic region has reporting sites for vessels and received calls in calendar year of 2012.  
arrived in the region and could indicate the potential for the  
arrival of international marine traffic, and could indicate within the mode.  
97 percent of the private  
boats arriving in the region are non-CANPASS permit holders. The percentage of international vessels that report to TRC is unknown. Those who do report are expected to be compliant with our mandate; it is those who do not report which pose a concern for the CBSA.

Private vessels pose a concern based on the proximity of St. Pierre and Miquelon. The proximity of the French Territory to the coast of Newfoundland means that in good weather most small vessels can make the crossing. There is a long history of smuggling in the area and it is suspected that many private vessels do not report as per requirements.

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<sup>128</sup> 2012 Atlantic Cruise Ship Risk Assessment (Protected B)

<sup>129</sup> 2011 Border Threat and Risk Assessment

PROTECTED B//ATI Exempt: S.16, 21 refer



#### 4.8.5 Atlantic Marine Commercial Stream

##### Top Risks:

- Drugs
- Export of Stolen Vehicles

There is a high likelihood that drugs and other contraband are being smuggled into the Atlantic Region using the marine cargo stream. The CBSA does not have a 24/7 presence at ports.



Crew members who are foreign nationals are not required to possess a temporary resident visa, therefore screening of crew occurs mostly on arrival. Crew manifests generally contain minimal biographic data. There is therefore much potential for people to gain unauthorized access to the port and its cargo without examination.

**Drugs.** High volumes of container traffic and advanced shipping container concealment methods make successful interdiction of drugs difficult.

Two enforcement actions successfully interdicted 68 kilos of cocaine and approximately 6000 kilos of hashish in Halifax using this method over the past 10 years.<sup>130</sup>

<sup>130</sup> Corporate Identity Fraud and Narcotics Smuggling in Shipping Containers, Atlantic Region – Enforcement and Intelligence March 2012, Protected B

<sup>131</sup> Ibid.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

Stolen vehicles are increasingly being discovered by the CBSA during their export from Canada through Halifax. In 2012 there were a number of investigations resulting in the recovery of multiple vehicles that were stolen from Ontario with professionally counterfeited Vehicle Identification Numbers.<sup>134</sup> Since January of 2013, another two cases involving multiple stolen vehicles have been opened. It is believed that these vehicles are being used to launder the proceeds of crime for an Ontario-based criminal syndicate.<sup>135</sup>

### Vulnerabilities

**Volume Management.** The marine mode is the cheapest and most efficient method of moving large quantities of goods around the globe. When a vessel arrives it is quickly offloaded and reloaded.

**Infrastructure.** Containers that are referred for full secondary offload examination travel significant distances

The Halifax Container Examination Team (CET) base is not located near the city's many marine terminals. The Waterfront Cargo Inspection Unit (WCIU) is responsible for dockside exams. They refer containers to the CET for full offload. For WCIU to transit from base to the Fairview Cove Container Terminal or the South End Container Terminal, they must travel 10 and 13 km respectively; in the case of the latter, this requires crossing through the city.

The distance to examination facilities is also a challenge in Saint John, New Brunswick. The office is located 3 km from the container facility, and the examination warehouse is another 4.5 km journey back through the city.



<sup>132</sup> UNODC – WCO Global Container Analysis Report 2008

<sup>133</sup> Corporate Identity Fraud and Narcotics Smuggling in Shipping Containers, Atlantic Region – Enforcement and Intelligence March 2012, Protected B

<sup>134</sup> Strategic Analysis of Region intelligence Reports (January 2013), AIMTAC

<sup>135</sup> Ibid.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

CBSA facilities at the examination warehouse in Saint John are co-located with Irving Paper and Moosehead Brewery storage.

#### **Tools.**

Intelligence reporting has identified that parasitic attachments on the hull of commercial vessels are a frequently used method of smuggling contraband in the region.<sup>137</sup> ROVs allow officers to scan the hull of a vessel using underwater cameras.

**Internal Conspiracies.** Members affiliated with organized crime groups are known to be working in Atlantic ports. The clearances required for port access are conducted by Transport Canada, and are entirely out of the control of CBSA.

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<sup>136</sup> Ibid.

<sup>137</sup> 2011 Border Threat and Risk Assessment, Intelligence Targeting and Analysis Division

PROTECTED B//ATI Exempt: S.16, 21 refer

## 5 Case Studies

### 5.1 Case Study 1: Sombra Ferry

The Sombra Ferry POE is a non-automated, two-man port located approximately 35 km south of Sarnia on the St. Clair River. The ferry service operates year round (weather permitting), with two ferries making the 8 minute journey to and from the US from 6.40am to 10.15pm daily between May and October.

The Sombra POE is located in an established cross-border smuggling corridor, valued by criminals for the long stretches of unpatrolled, narrow St. Clair River dividing Canada and the US, as well as its proximity to major Canadian and US urban centres. In 2010 there were known to be 15 organized criminal smuggling people, drugs, guns and currency between 8 port of entry locations, and 11 between the port locations in the lower SOR.<sup>138</sup>



BSOs at Sombra spend most of their time verifying and processing the personal accounting of alcohol and goods entries purchases made in the US. The Marine City port has a duty free store that offers extremely low prices for canned beer and alcohol, and it targets Canadian shoppers. A glance at the store's website reveals discounts in the range of 30-50 percent off Canadian retail prices, even with Canadian duty rates factored in (see image). At the same time, the Sombra Ferry's owner-operator has in recent years launched an ingenious cross-border shopping sideline to supplement ferry revenues; specifically, he has designated his boats as parcel pickup locations (he has designated his business as a US delivery address or a third party delivery address in the US) for Canadian residents to retrieve US online shopping purchases. Canadians who once had to cross to Marine City to pick-up online goods

<sup>138</sup> Ibid.

PROTECTED B//ATI Exempt: S.16, 21 refer



from brick-and-mortar stores can now have their packages delivered to them by the ferries themselves without ever leaving Canadian soil. Shoppers board the boat while docked and pay a deck hand CAD \$5 per package to retrieve their goods from the hold, and then present themselves to CBSA to pay duty.<sup>139</sup>

Cumulatively, this has had a dramatic effect on port operations. The composition of travellers using the port is changing, from locals and those avoiding line-ups at the Windsor and Sarnia crossings, to out-of-town bargain hunters. As word of Marine City's duty-free prices have spread across Ontario, BSOs have noticed increasing numbers of alcohol "re-sellers" using the port.<sup>140</sup>

These travellers cross the river multiple times per day, and return to declare up to the 45 litre importation limit allowed by the Ontario Liquor Control Board for each entry to Canada.<sup>141</sup> Officers at the port regularly witness ferry customers cross repeatedly until their parked motorhomes are full of alcohol.

Selected 1 litre and 750mL bottles  
for just \$ CDN!

Product	Size (L)	Alcohol %	Price	Duty	Total
Old St. John's White/Gold Rum	1	40	\$5.00	\$12.55	\$17.55
Karkov Vodka	1	40	\$5.00	\$12.55	\$17.55
Karkov Lime Vodka	1	35	\$5.00	\$11.50	\$16.50
Triple Sec Liqueur	1	30	\$5.00	\$10.48	\$15.48
Mother's Blackberry Brandy	1	30	\$5.00	\$10.48	\$15.48
Pure Gold Rye Whiskey	0.75	40	\$5.00	\$10.48	\$15.48
Johnson's Gin	0.75	40	\$5.00	\$10.48	\$15.48
Rondiaz Lemon Rum	0.75	35	\$5.00	\$9.70	\$14.70
Mother's Butterscotch Schnapps	1	15	\$5.00	\$7.40	\$12.40
Mother's Sour Lemonade Schnapps	1	15	\$5.00	\$7.40	\$12.40
Gionelli Melon Liqueur	1	15	\$5.00	\$7.40	\$12.40
Mother's Orchard Peach Schnapps	1	15	\$5.00	\$7.40	\$12.40
Phillip's Strawberry Schnapps	0.75	15	\$5.00	\$6.62	\$11.62
Mother's Sour Apple Schnapps	0.75	15	\$5.00	\$6.62	\$11.62

And for a LIMITED TIME ONLY:

Product	Size (L)	Alcohol %	Price	Duty	Total
Hillton	1	40	\$10.00	\$1.40	\$11.40
Kentucky Bay Schnapps	1	40	\$10.00	\$1.40	\$11.40
Another Schnapps	1	15	\$10.00	\$1.47	\$11.47
UV Blue Raspberry Vodka	1	30	\$10.00	\$2.00	\$12.00

FREE FERRY PASS!

Source: <http://www.unicandutyfree.com/specials.html>. Accessed 2013-02-04.

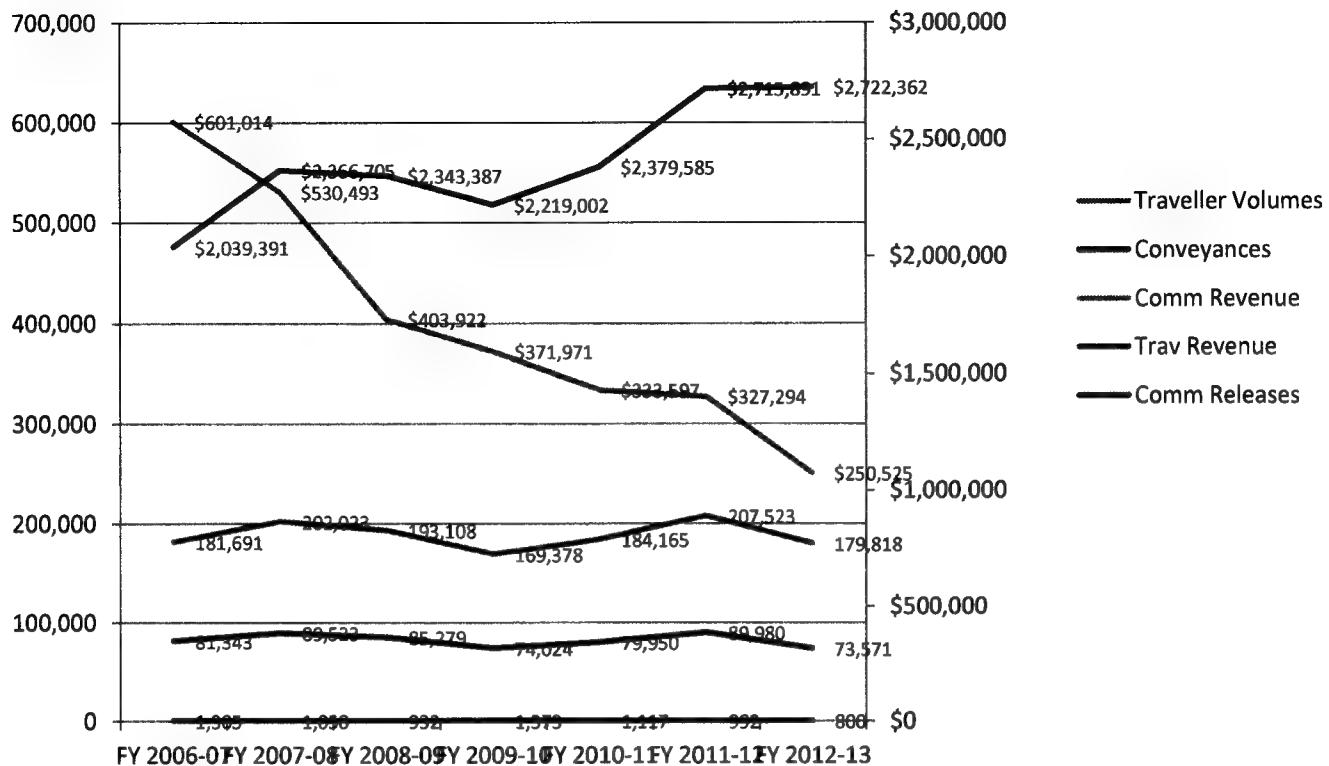
While not illegal, this behavior increasingly drives officer workloads towards labour-intensive duty collection and small seizure processing.

These trends are borne out in the port's statistics. As the tables below demonstrate, traveller and commercial volumes have remained relatively constant over the past six years (note FY 2012-13 stats are to-date), yet port revenue collection has climbed by over 25 percent during the same time period and continues to trend higher. Commercial collections have decreased by almost 85 percent over the same time period and continue to decline this year.

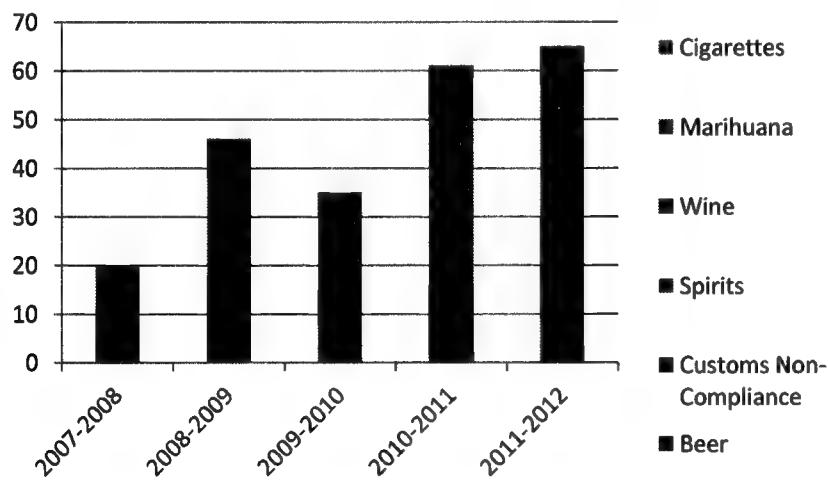
139 <http://www.BlueWaterferry.com/packages-licenses>. Accessed 2013-02-04.

140 During the 2012-11-23 NBRA site visit to Sombra, the author observed a first-time Marine City bulk alcohol shopper remark to a BSO that he had learned about the duty-free from numerous colleagues at work. His workplace is in Barrie, Ontario, 375 km away.

141 <http://www.lcbo.com/importing/>. Accessed 2013-02-04.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

At the same time, the amount of alcohol and undeclared goods seized has been steadily rising:

**Threat Knowledge.**

**PROTECTED B//ATI Exempt: S.16, 21 refer****Tools.**

IT Support has visited the port

**Infrastructure.**

The ferry is a Canadian owned and operated business, so the boats are berthed at Sombra each evening.

In addition, while the CBSA office at Sombra is open from 0700h to 2300h,



**PROTECTED B//ATI Exempt: S.16, 21 refer**

**Officer Health & Safety.** There are numerous officer safety vulnerabilities at Sombra.

Many ferry passengers visit bars and restaurants in Marine City on evenings and weekends. The port superintendent has often had to visit the port to support BSOs in diffusing confrontations between inebriated ferry passengers, as well as belligerent behavior towards officers themselves.

**Staffing.** Sombra and Walpole POEs have a total staff complement

Both operate on a 56 day schedule, which would require \_\_\_\_\_ staff in order to fully cover all shifts.

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<sup>142</sup> Officers have made seizures against ferry staff in the past.

PROTECTED B//ATI Exempt: S.16, 21 refer



## 5.2 Case Study 2: Walpole Island Ferry POE



The Walpole Island Ferry POE sits at the tip of the Walpole Island, Ontario, across from Algonac, Michigan at the southern end of the St. Clair River on Lake St. Clair. It is about 20 km south of the Sombra Ferry POE and 50 km north east of Windsor. The POE sits at the tip of the Walpole Island First Nation, an unceded territory of 2275 people.<sup>143</sup>

While close to Sombra, Walpole's operational concerns differ markedly. The port processes a fairly consistent average of around 120 000 travellers per year.

Unlike Sombra, there are no commercial operations, no duty-free, and no parcel pick-up businesses across the river to contend with. Examination rates are steady and enforcement actions are relatively low, consisting mainly of seizures of small quantities of undeclared goods. Most of the crossings at the port are made by residents of the Walpole Island First Nation. Islanders use the ferry service to shop for groceries and other essentials in Michigan because of limited services available on the reserve. US cottagers also cross to summer vacation rentals, and from September to January, the port usually issues anywhere from 300 to 1000 Non-Resident Firearm Declarations permits to US hunters bringing their firearms into Canada.

The seemingly routine nature of operations at Walpole belies a complex operating environment and serious operational vulnerabilities. There are three main areas of weaknesses elevating the level of risk, as follows.

**Threat Knowledge.** Walpole Island has been a staging area for smuggling activity for generations, due mainly to its geography. There are many small channels between the island and the US that allow easy vessel concealment and short crossing times.

<sup>143</sup> [http://pse5-esd5.ainc-inac.gc.ca/FNP/Main/Search/FNRegPopulation.aspx?BAND\\_NUMBER=170&lang=eng](http://pse5-esd5.ainc-inac.gc.ca/FNP/Main/Search/FNRegPopulation.aspx?BAND_NUMBER=170&lang=eng). Accessed 2013-02-10. Note that an additional 2237 people live off reserve or on other reserves. "Unceded" means that the First Nation has not relinquished title to its land to the government by treaty or otherwise.

**PROTECTED B//ATI Exempt: S.16, 21 refer**

Some residents of Walpole Island are well known by law enforcement to be involved in these illicit smuggling movements. In such an environment, it is likely that criminal syndicates have conducted surveillance on port operations to probe for vulnerabilities to exploit.

**Training.** None of the officers stationed at the port have received immigration cross-training yet. Officers have to process a number of non-resident permits for hunters during duck season and there have been criminality concerns in the past. In addition, on occasion,

In years past, this training would have been possible when the river froze and the ferry closed for the winter. In recent years, the river has frozen sporadically, and the ferry continues to run intermittently, which has made daily staffing at the port difficult, let alone findings sufficient blocks of time required to complete cross-training.

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<sup>145</sup> Operations Branch Enforcement Committee Intelligence Assessment. June 1- August 31, 2012. (Protected B)

<sup>146</sup> Including information from local law enforcement that prescription opioids are coming across the river and being used on the reserve.

<sup>147</sup> Strategic Risk Brief 05/2012: "Filling the OxyContin Gap" Strategic Risk Assessment Division, CBSA. (Protected A)

PROTECTED B//ATI Exempt: S.16, 21 refer

## CBSA ASFC

**Tools and infrastructure.** Like Sombra, Walpole is a small port. The physical area of the port is even smaller than Sombra. The port abuts the St. Clair River, and the main north-south axis road runs immediately behind the port building (see the photo on the right). There is

limited land available. BSOs must examine cars or people in the Primary area directly beside the port building, leaving any other traffic queued behind.<sup>148</sup> This is a less than ideal, but manageable, situation



Walpole Island has no room to grow.

**Officer Safety.** There are significant safety issues for the officers stationed at the POE.

BSOs sometimes have to diffuse confrontations between passengers as well as handle belligerent behavior towards officers themselves. Most significantly, Walpole officers are often targets of intimidation by island residents who are resentful of CBSA's presence. Protests at the port are frequent and can quickly escalate. This occurred most recently on December 30<sup>th</sup>, 2012 when around 100 protestors gathered at the port under the banner of the recent Idle No More protests. Under more routine circumstances, protests at Walpole usually start when a traveller protests the treatment he or she (or a family member or friend) receives from the CBSA and sits in the Primary lane, snarling traffic, or storms into the port office unannounced. Crowds can quickly form due to constant surveillance from nearby houses, leaving the officers surrounded on three sides with only the river as a possible escape route.<sup>149</sup> Officers at the port have not had conflict resolution training, or native awareness sessions to learn more about local culture, history and current reserve politics. Apart from daily interaction with locals using the ferry and courtesy visits from the band police, interactions between officers and the band are limited.

<sup>148</sup> Any attempt to move traffic beyond the Primary staging point would technically be deemed an entry into Canada.

<sup>149</sup> The analysts who visited the port for this assessment on 2012-11-21 detected surveillance efforts on them during their short time at the port.

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### **5.3 Case Study 3: Canadian Forces Base Trenton<sup>150</sup>**

Canadian Forces Base (CFB) Trenton processes most large scale military movements of Department of National Defence (DND) personnel and equipment returning from missions abroad. CFB Trenton is the only CBSA office that is located on DND property. In addition to the processing of military personnel and goods, the port of CFB Trenton is also responsible for a number of marine and air reporting sites as well as sufferance warehouses in and around Trenton, Lindsay, Peterborough, Kingston and Cobourg.

Coordinating efforts with DND can be challenging. Regular postings result in a high turnover of military personnel and a constant education process for DND of CBSA requirements. The volumes at CFB Trenton are unpredictable and fluctuate dependent on the Canadian military's participation in conflicts or missions abroad. The withdrawal of personnel and equipment from Afghanistan is winding down.

Military equipment returning covered in soil, as well as wood pallets constructed locally overseas were used for shipments and created logistical challenges on arrival in Canada. Warehouses on the base had to be turned into temporary quarantine sites until the machinery could be cleaned and the pallets destroyed.

The threats at CFB Trenton are dynamic and shift with the DND missions. CFB Trenton routinely seizes weapons and ammunition from the personal effects of returning military personnel. These infractions are often not malicious in nature, but do compromise the security of aircraft.

The opportunity to exploit military flights for drug and weapons smuggling has been investigated in both the United States and United Kingdom, resulting in convictions of military personnel.

Although Canadian Forces Station Alert falls under the responsibility of Ottawa Air Cargo, there are no CBSA personnel present. Instead, DND is designated to act as CBSA for the purposes of clearing goods and people. Ground crew are most often assigned to this duty creating a potential conflict of interest – the pressure to move planes over the examination of goods and people.

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<sup>150</sup> Unlike many ports, who have “seasons” of peak volumes, such as summer and winter vacations, Black Friday, etc. the port at CFB Trenton’s peak periods of activity mirror Canadian Forces overseas engagements, which are dynamic and often launch without much prior notice.

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CFB Trenton is also responsible for reconciling "Value Included Shipments" of military goods.

These shipments must be reconciled by the CBSA.

This results in a complex and cumbersome administrative duty for BSOs that hinders facilitation and ties up resources, limiting other enforcement activity at the port.

**Situational Awareness.** For CFB Trenton, the risks are largely dependent on the mission. For example, the withdrawal from Afghanistan may have represented higher risk for heroin, currency, firearms and weapons smuggling. Other missions have their own unique risks.

#### **Advanced Information and Targeting.**



Airfield at CFB Trenton

**Infrastructure and Tools.** The requirement to add a space for firearm storage following the arming of Trenton BSOs has been hampered by the fact that CBSA is unable to independently make changes to the DND owned facilities. The construction of

space for firearms storage is required to meet both CBSA and DND requirements. Locally, an agreement was made to store sidearms with the Military Police,

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**Restricted access to cargo facilities and tarmac.** Officers at CFB Trenton currently rely on DND to transport them to and from the planes and cargo holding facilities. On occasion, officers have been separated, or entirely left behind when examining a plane while passengers are bused to the terminal. Local procedures have been negotiated for BSOs to drive CBSA vehicles on the tarmac. This will afford more control and greater protection for the chain of custody. However, these agreements remain local and subject to change with each new posting rotation.

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**2013-15  
NATIONAL BORDER RISK  
ASSESSMENT**

**ANNEXES**

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## 6 NBRA Annexes

### 6.1 Annex A: National Border Risk Assessment Process

The following annex describes the process underlying the National Border Risk Assessment.

#### 6.1.1 Risk Formula

The NBRA is ultimately a qualitative, not quantitative product. That said, a qualitative risk formula was developed as one tool, among many, used to develop the story of risk at the border. It draws on principles from mathematics, economics and statistics to provide the quantitative analysis to calibrate the risk environment at the outset of the NBRA collection exercise. Additional analysis drawn from a wide variety of internal and external sources is then incorporated to validate initial findings, and analytical judgement is used to create the ultimate qualitative picture of border risks.

For the purpose of the NBRA, a **border risk (R)** is defined as the likelihood (L) of an infraction at a port of entry (POE) and the impact (I) of that infraction on Canada and Canadians, if it is missed. It is expressed as:

$$\text{Risk (R)} = f[\text{Likelihood (L)}, \text{Impact (I)}]$$

**Likelihood** is represented by the *expected probability of an event*. It is expressed as:

$$L = [F * P(E) * P(SE)]$$

Where Likelihood (L) is a function of frequency of border crossings (F), the expected probability of a border infraction or event P(E) and the probability of success of that event P(SE). P(SE) is established by comparing P(E) to enforcement results. In other words, likelihood is a function of border volumes, border threats<sup>151</sup>, and CBSA's vulnerabilities<sup>152</sup> to these threats.

**Impact** is defined as the consequences for Canada and Canadians in the event of a successful mandate infraction. It is expressed as:

$$I = Ev + OC + HH + CI$$

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<sup>151</sup> The people, organizations, intentions, modus operandi, alliances, tactics, strategic objectives and evolution of the actors who want to perpetrate border infractions.

<sup>152</sup> Characteristics of CBSA operations that prevent detection and suppression of border infractions.

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Impact (*I*) is a function of:

- Environmental Harm (Ev): the relative level of environmental damage that results from inadmissible or undeclared goods entering Canada;
- Organized Crime Interest/Value (OC): the relative size and criminal reach demonstrated by organized crime groups related their interest (and potential profit) in a particular commodity or activity;
- Human Harm (HH): the relative level of harm that a commodity, person, activity or other threat will have on individuals; and
- Community Interest (CI): the relative level disorder introduced into the fabric of a community or Canadian society at large as a result of the entry of an inadmissible or illicit commodity, person, activity or other threat.

Taken together, this yields the following expression for Border Risk:

$$R = [eP(E)] * [(\beta_{ev}Ev + \beta_{oc}OC + \beta_{hh}HH + \beta_{ci}CI)]$$

[Subject to the sum of the weights of all impact variables ( $\sum \beta_i = 1$ )]

The top risks identified in the NBRA are those that are likely to occur and have relatively higher impacts on Canada and Canadians. These risks cannot be mitigated through the normal net of operations, as it currently exists, and require tailored enforcement strategies.

### **6.1.2 Likelihood Information: The Collective Knowledge of Front Line Officers**

The data to assess the likelihood of border infractions was obtained from several sources. For example, data about traveller and trade volumes at POE and enforcement results was gathered from CBSA databases, such as the Consolidated Management Reporting System (CMRS), the Integrated Customs Enforcement System (ICES) and Field Operations Support System (FOSS).

The quantification of the probability of a border infraction at each POE, however, cannot be deduced from existing CBSA data. The information held in CBSA repositories record what has happened, not what may have happened and was missed. To begin to assess the probability of a border infraction, an expertise-based data collection exercise was conducted. The technique of “crowd-sourcing” was used in order to generate collective subjective judgements. A survey was introduced and posted on ATLAS<sup>153</sup> allowing for all Border Services Officers (BSOs) and Superintendents to complete based on their experience and knowledge of the border environment. More than 800 survey responses were received, representative of all modesstreams and all regions [See Annex E: Survey Analysis].

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<sup>153</sup> CBSA's intranet site.

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In addition to demographic details such as years of experience, and process feedback, the survey had two main questions the responses to which were incorporated into the NBRA.<sup>154</sup> First, it asked respondents to identify the border infractions that they perceive to be missed most at the POEs (by mode and stream). Second, it asked respondents to describe what vulnerabilities contribute to the Agency's inability to interdict these missed infractions. The survey results provided information that could be aggregated and assessed in the context of known threats, enforcement results and other available information in order to establish, through analytic judgements, the likelihood of different border infractions. In addition, site visits to 30 ports were conducted in order to continue to validate identified vulnerabilities and obtain additional information from other port/regional staff and external partners.

A second survey was distributed, in line with the Delphi process [see Annex D: Delphi Survey Methodology] to validate the results of the first survey and was targeted at Regional Intelligence Officers, Inland Enforcement Officers in addition to BSOs and Superintendents.

### **6.1.3 Assessing Impact**

Each border infraction is assigned an impact score. The NBRA is currently composed of four variables that provide a holistic picture of the impact on Canada and Canadian, should the CBSA fail to interdict the border infraction. There are four impact variables used in the 2013-2014 NBRA. The underlying logic and definitions for these variables were refined with the assistance of OGD partners. They are:

**Environmental Harm.** The Environmental Harm variable was developed to address the environmental impacts stemming from inadmissible or contaminated food, plant or animals entering Canada. The arrival of dangerous pathogens or pests by means of international trade can seriously affect the economics of a particular industry and also potentially cause devastating damage to the environment. For example, the Emerald Ash Borer is an invasive species likely introduced to North America through overseas shipping containers. The resulting economic impact to industry, cost to municipalities and other levels of government to mitigate the damage is estimated in the tens of millions of dollars. These costs are above and beyond the environmental devastation that has resulted from 50 to 100 million ash trees throughout North America being killed, and millions of trees across North America at risk of infestation or death.<sup>155</sup>

**Organized Crime Interest.** The Organized Crime Interest variable documents the group composition and known interests of organized criminal networks operating in Canada. Organized crime as a threat is accounted for through the likelihood side of the risk equation; however, the level of interest organized crime has in a particular commodity or activity also affects Canada and Canadians. The level of interest of a criminal organization in a given commodity or activity will vary depending on its value, or scope for profit. Where significant profits can be made there will be an interest of organized crime

<sup>154</sup> A copy of the surveys used can be found in Annex F: 2013-14 NBRA Surveys

<sup>155</sup> Canadian Food Inspection Agency. Emerald Ash Borer. Questions and Answers  
<http://www.inspection.gc.ca/english/plaveg/pestrava/agrpla/queste.shtml>

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to corrupt, infiltrate, exploit or bypass regulatory controls. In addition, higher profits increase the motivation for criminal groups to compete in the illicit marketplace.

**Human Harm.** The Human Harm variable is intended to measure the level of harm to individuals in society through illness, death or other suffering directly resulting from the arrival or presence of the goods or person in Canada.

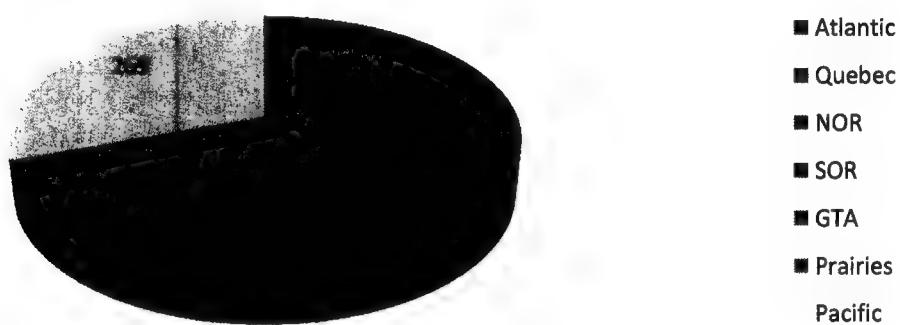
**Community Harm.** The Community Harm variable is intended to capture the level of social disruption that results from the arrival or presence in Canada of a particular good or person. It attempts to quantify the impact of successful threats that affect the fabric of Canadian communities or the way in which a community interacts. We have chosen to focus in particular on the categories of health care and social welfare obligations, community violence and criminal activity, product safety (food and goods) as well as impacts on critical infrastructure as indicative of the functioning of a community.

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## 6.2 Annex B: Preliminary Crowd Sourcing Results

To obtain a front-line understanding of CBSA operations at the border, the 2013-14 NBRA used an electronic survey in order to crowd source the collective intelligence of officers working in border operations. BSO and superintendents working at ports of entry are positioned to have a unique insight into how the Agency is, or is not, succeeding in its mandate delivery. The purpose of the first survey in the NBRA process was to capture the border operations expertise of BSOs and Superintendents by asking them to identify the types of border infractions they felt were missing (threat) as well as the challenges that significantly contributed to ineffective enforcement at POEs (vulnerability). The voluntary survey was launched on ATLAS in November 2012. In total, 880 responses were received from across the CBSA, representative of all modes and streams.

### Number of Survey Responses by Region

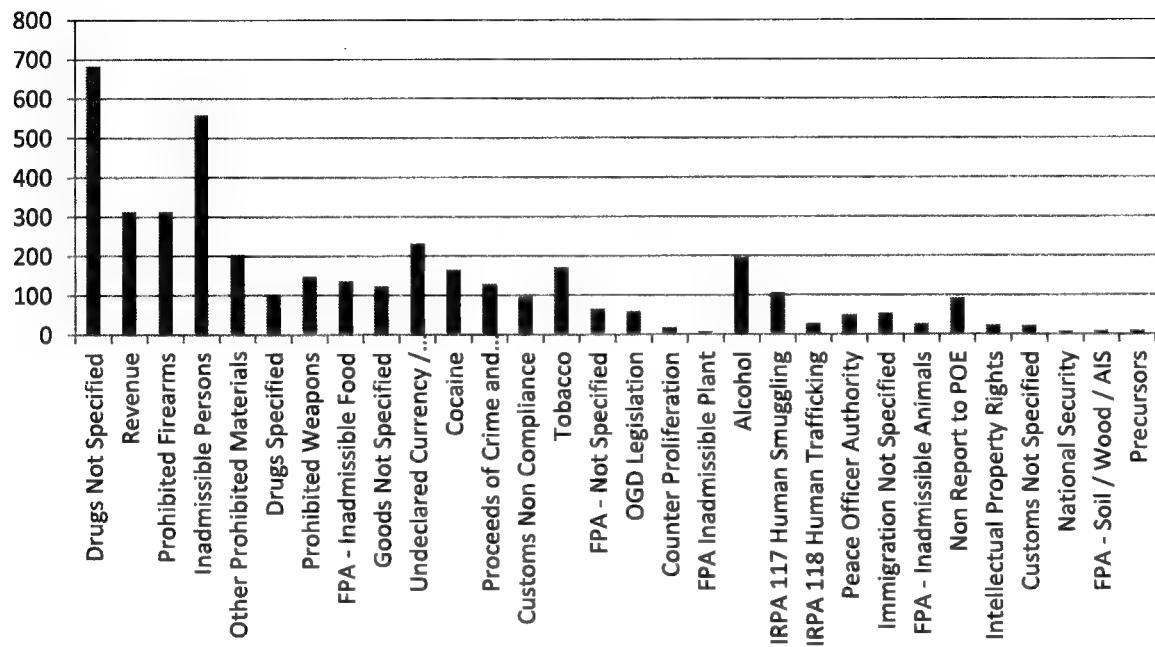


The design of the survey allowed officers to enter free text responses to the questions. The intent was to eliminate the artificial constraint imposed by pre-selected border infractions. Instead, the survey allowed for the identification of outlier infractions that are not normally considered in agency threat or risk assessments as well as allow for an increased level of specificity that was not present in the previous iteration of the NBRA. In total, there were 4400 border infractions received with more than 2000 unique descriptors. As a result, multiple levels of aggregation were required to categorize the responses to allow for analysis that could be incorporated into the NBRA. Ultimately, the NBRA used 30 categories to focus analysis and identify the Agency's top risks.

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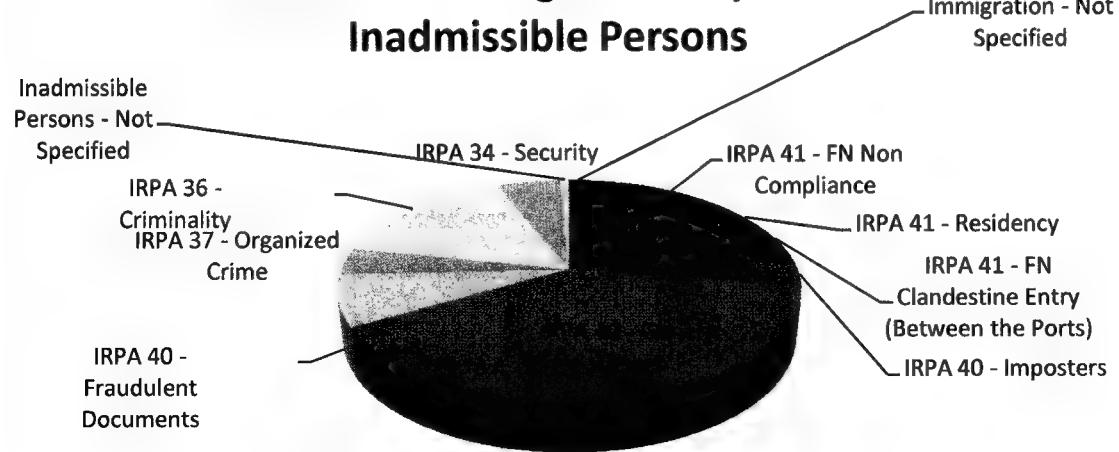


## National Aggregate of Border Infractions Identified from Survey 1



Despite the level of generality used in naming border infractions for the purpose of articulating risk in the NBRA, there is significant detail in the background. For example, survey responses for Inadmissible Persons can be broken down to specific sections of the Immigration and Refugee Protection Act officers believe they are not equipped to identify or process.

### Breakdown of Allegations Captured as Inadmissible Persons



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This assists when assessing multi-layered concepts such as National Security. The NBRA considers terrorism by focusing on specific border-related elements of an act or event and avoids using the catch-all "terrorism" category. Instead, national security is assessed through the relevant border infractions, notably foreign nationals or permanent residents who are inadmissible due to their involvement with terrorism-related activity, seized currency related to the financing of terrorist activities and the counter proliferation of weapons and dual use technologies. The chart above demonstrates that officers perceive individuals who are inadmissible for security reasons arrive at POEs, but that this happens far less often than those inadmissible for misrepresentation, non-compliance or criminality. Combining these findings with vulnerability information gleaned through the same survey, and other sources of data, a picture begins to emerge of immigration risk at our ports. Having data available at the granular level will assist in articulating specific risks in future assessments.

One of the shortcomings of the first NBRA (2012-13) was that the border infractions were pre-defined and based largely on what is understood to be core of the CBSA mandate (contraband, immigration, FPA). This process restricted the ability to capture outlier infractions or emerging trends that potentially have impacts for Canada and fall within our mandate to interdict, but occur infrequently or lie outside of CBSA enforcement expertise.

## **Breakdown of OGD Infractions**



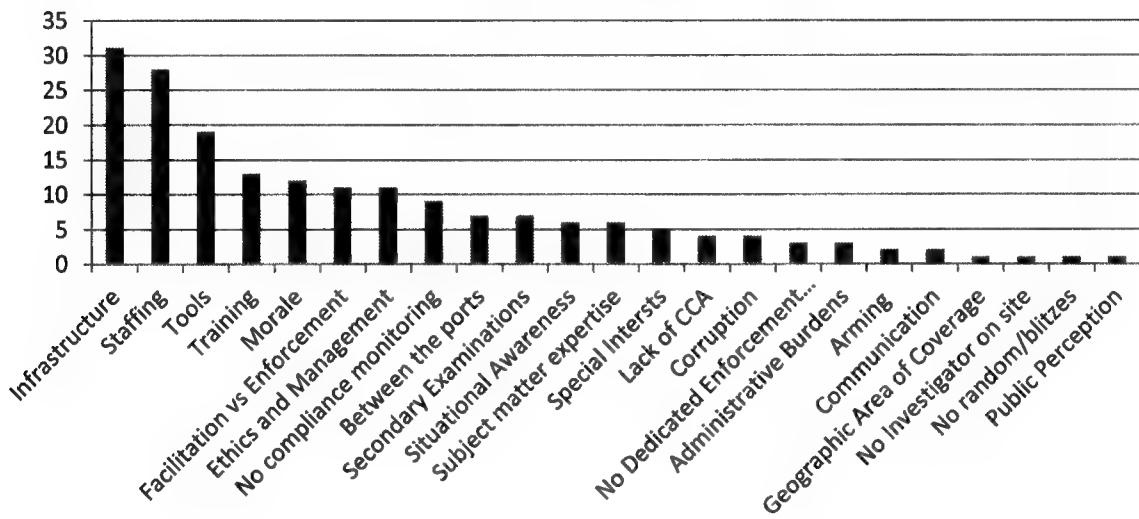
CBSA vulnerabilities were captured through a question on the BSOs perceptions of challenges or weaknesses at their particular ports of entry. Again, free text responses allowed for greater specificity, but in this case, the complex nature of the question resulted in such a broad range of responses, from infrastructure challenges to morale issues, that national aggregation served only to dilute the results. Instead, analysis of the challenges question was done on a port or regional specific basis and was then integrated into the NBRA based on analytical judgements. Several difficulties were identified in

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categorizing the challenges as vulnerabilities. Interpretation of the responses is largely subjective and in some circumstances there is no means to validate responses. For example, a response from one region indicated that management did very little to address problematic employees. This failure was seen to contribute to ineffective enforcement because some officers are less effective, as well as compounding the effect this behavior may have on general morale and subsequent enforcement efforts. While these are genuine concerns, they are difficult to tie directly to diminished enforcement capacity. A separate, more in-depth analysis of these types of responses is required. The scope of the NBRA does not permit that analysis, since these concerns fall out of the immediate mandate of the document. However, these issues have a direct impact on the Agency's ability to deliver its mandate, and so the relevant enabling function at Headquarters or the region can use this data to good effect.

## Breakdown of Vulnerabilities identified from Survey 1: NOR



The responses from the Northern Ontario Region to the vulnerability question demonstrates that while officers are largely concerned with long standing issues such as infrastructure, staffing, tools and training, some officers are also considering larger issues such as how business could be conducted more effectively, including a better random program, the removal of some administrative burdens (duty and tax collection) as well as the professionalism of the Agency (Ethics and Management, Public Perception).

A question was introduced for the 2013-14 NBRA survey to address concerns regarding outbound border infractions. Earlier assessments and information gleaned through site visits indicate that there is an absence of threat intelligence and general situational awareness related to outbound threats. In the survey, officers were asked to identify any known outbound concerns. The responses closely reflected what is currently known: Proceeds of crime, drugs and human smuggling were identified as

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the significant outbound threats.

The policy guidance on export controls is not consistently applied

The information gleaned from the NBRA survey on outbound concerns was insufficient to support findings in the NBRA. Instead, the results could form the starting point for a separate future assessment, or could be included in future versions of the NBRA.

A second survey was presented the same survey population with the aggregate results, by mode and stream, of the first survey. Respondents were asked to review the results of the first survey in order to validate (modified Delphi survey method). Three hundred and twenty-six responses to the second survey were received. Ninety-two percent of respondents assessed the first survey results to be mostly reflective of their work environments.

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### 6.3 Annex C: Glossary of Terms

ABC	Automated Border Crossing
ACI	Advance Cargo Information
ACROSS	Accelerated Commercial Release Operations Support System
AIMTAC	Atlantic Information Management and Threat Assessment Centre
AMPS	Administrative Monetary Penalty System
AOR	Area of Responsibility
API	Advance Passenger Information
AQAP	Al Qaeda In the Arabian Peninsula
BBTCA	Billy Bishop Toronto City Airport
BN	Business Number
BRMP	Border Risk Management Plan
BRMS	Border Risk Management Section
BSO	Border Services Officer
BWT	Border Wait Times
CA	Customs Act
CAD	Canadian Dollars
CBCRT	Cross Border Currency Roving Team
CBSA	Canada Border Services Agency
CBRNE	Chemical, Biological, Radioactive, Nuclear and Explosive
CCA	Customs Controlled Area
CCW	CentrePort Canada Way
CEF	Container Examination Facility
CET	Container Examination Team
CFB	Canadian Forces Base
CFIA	Canadian Food Inspection Agency
CFS	Canadian Forces Station
CIC	Citizenship and Immigration Canada
CISC	Criminal Intelligence Service Canada
CITES	Convention on the International Trade in Endangered Species
CLVS	Courier Low Value Shipment
CMRS	Consolidated Management Reporting System
CN	Canadian National
COMS	Commercial Offsite Monitoring System
CP	Child Pornography
CPC	Canada Post Corporation
CPIS	Counter-Proliferation Intelligence Section
CPR	Canadian Pacific Railway
CPS	Corporate and Program Services
CRL	Cargo Release List

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CSE	Confined Space Entry
DART	Disembarkation and Roving Team
DRAP	Deficit Reduction Action Plan
DDS	Detector Dog Service
DND	Department of National Defence
ECL	Export Control List
EDI	Electronic Data Interchange
E&I	Enforcement and Intelligence
FAST	Free and Secure Trade
FBO	Fixed Based Operations
FIRM	Facility for Information Retrieval Management
FPA	Food, Plant, and Animal
FPOA	First Point of Arrival
FRT	Flexible Response Team
GTAR	Greater Toronto Area Region
GPS	Global Positioning System
GST	Goods and Services Tax
GTEC	Greater Toronto Enforcement Centre
GTH	Global Transportation Hub
H2S	Hydrogen Sulfide (Gas)
HCVM	Heimann Cargo Vision Mobile
HQ	Headquarters
HST	Harmonised Sales Tax
IBET	Integrated Border Enforcement Team
IC	Internal Conspiracies
ICES	Integrated Customs Enforcement System
ICET	Integrated Customs Enforcement Team
IDA	Improperly Documented Arrivals
IMPC	International Mail Processing Centre
IO	Intelligence Officer
IPIL	Integrated Primary Inspection Line
IRPA	Immigration & Refugee Protection Act
ITAR	International Trade in Arms Regulations
LBPIA	Lester B. Pearson International Airport
LVS	Low Value Shipment
MCIA	McDonald Cartier International Airport
MOU	Memorandum of Understanding
MPC	Mail Processing Centre
MRO	Maintenance, Repair and Overhaul
MSOC	Marine Security Operations Centre
NAFTA	North American Free Trade Agreement
NBRA	National Border Risk Assessment
NGO	Non-Governmental Organization
NHQ	National Headquarters

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NOR	Northern Ontario Region
NRU	National Rail Unit
NWP	Northwest Passage
NWT	Northwest Territories
OC	Organized Crime
OCG	Organized Crime Group
OGD	Other Government Department
OPP	Ontario Provincial Police
OSH	Occupational Health and Safety
PAC	Pacific Region
PAXIS	Passenger Inspection System
PETIA	Pierre Elliott Trudeau International Airport
PICS	Postal Import Control System
PIP	Partners in Protection
PIRO	Postal Import Remission Order
PNR	Passenger Name Record
POC	Proceeds of Crime
POE	Port(s) of Entry
PMI	Postal Modernisation Initiative
RABC	Remote Access Border Crossing
RCMP	Royal Canadian Mounted Police
ROV	Remote Operated Vehicle
SOR	Southern Ontario Region
STCA	Safe Third Country Agreement
SWPM	Solid Wood Packaging Material
TBML	Trade-Based Money Laundering
TCO	Transnational Criminal Organizations
TEU	Twenty Foot Equivalent Unit
TRC	Telephone Reporting Centre
UNCLOS	United Nations Convention on the Law of the Sea
USCBP	United States Customs and Border Protection
USD	United States Dollars
VACIS	Vehicle And Cargo Inspection System
VFD	Value for Duty
VIA	Vancouver International Airport
VIN	Vehicle Identification Number
VMS	Vessel Monitoring System
WCIU	Waterfront Cargo Inspection Unit
WMD	Weapons of Mass Destruction

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